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UNION STATION IMPROVEMENT ACT OF 1978

5-2

HEARING

BEFORE THE

SUBCOMMITTEE ON SURFACE TRANSPORTATION

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

UNITED STATES SENATE

NINETY-FIFTH CONGRESS

SECOND SESSION

ON

S. 2995

TO FACILITATE THE IMPLEMENTATION OF SECTION 703 OF THE RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976, TO PROVIDE FOR THE CONVERSION OF A PART OF THE NATIONAL VISITOR CENTER TO RAILROAD PASSENGER SERVICE, AND FOR OTHER PURPOSES

JUNE 8, 1978

Serial No. 95-111

Printed for the use of the
Committee on Commerce, Science, and Transportation

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UNION STATION IMPROVEMENT ACT OF 1978

THURSDAY, JUNE 8, 1978

U.S. SENATE,
COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION,
SURFACE TRANSPORTATION SUBCOMMITTEE,
Washington, D.C.

The subcommittee met at 10 a.m. in room 235, Russell Senate Office Building, Hon. Russell B. Long (chairman of the subcommittee) presiding.

OPENING STATEMENT BY SENATOR LONG

Senator LONG. This morning's hearing on the Union Station National Visitor Center marks yet another effort, now extending over a 10-year period, to try to determine what is the most sensible use to make of this historic structure. In the midsixties our Nation's Capital was well-established as a prime attraction of tourists and visitors from all over the United States and throughout the world. Most forecasters were predicting that visitation would more than double by 1980.

Congress and the executive recognized the need for adequate services for visitors, and in 1966 the Congress established a National Visitors Center Study Commission. The Commission considered many alternatives and finally recommended Union Station. At that time railroad usage of the station had declined to the point where the owners were willing to relinquish the building in favor of a smaller terminal which they would construct.

Following 10 years of financing difficulties, changes in project size and scope, negotiations and renegotiations toward agreements on how to proceed, amendments to the original act, congressional examinations of cost escalations, overruns and delays, strikes, and finally a shutdown of a major portion of the project, here we are today confronted with a minimum of another $34 million in construction costs, whether we agree to use the facility essentially as a visitor center or a transportation complex.

[The bill follows:]

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95TH CONGRESS
2D SESSION

S. 2995

IN THE SENATE OF THE UNITED STATES

APRIL 26 (legislative day, APRIL 24), 1978

Mr. RANDOLPH (for himself and Mr. MOYNIHAN) (by request) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

MAY 9 (legislative day, APRIL 24), 1978

Referred to the Committees on Environment and Public Works and Commerce, Science, and Transportation, jointly, by unanimous consent

A BILL

To facilitate the implementation of section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976, to provide for the conversion of a part of the National Visitor Center to railroad passenger service, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Union Station Improvement Act of 1978".

SEC. 2. Section 101 of the National Visitor Center Facilities Act of 1964 (40 U.S.C. 801) is amended—

(1) by inserting "(a)" before the first sentence; and

(2) by inserting at the end thereof the following new subsections:

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"(b) At the request of the Secretary of Transportation, the Secretary shall assign to the Secretary of Transportation the lease of the facilities which the Secretary entered into pursuant to subsection (a) of this section, together with all rights in, to, or concerning Union Station, including, without limitation, the purchase option required by section 102(a)(5) of this Act.

"(c) After the lease is assigned to the Secretary of Transportation pursuant to subsection (b) of this section, the Secretary of Transportation shall operate, or cause to be operated, as a rail passenger terminal, that portion of the premises not sublet to the Secretary for operation of the National Visitor Center. The Secretary of Transportation may make such alterations to the premises and provide, or cause to be provided, such services as he or she deems necessary or desirable for the benefit of rail passengers.

"(d) After the lease is assigned to the Secretary of Transportation pursuant to subsection (b) of this section, the Secretary may sublease from the Secretary of Transportation, that portion of the facilities required for the continued operation of the National Visitor Center, as the Secretary and the Secretary of Transportation may agree upon.

"(e) After the lease is assigned to the Secretary of Transportation pursuant to subsection (b) of this section, the Secretary of Transportation is authorized to acquire by

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lease, purchase, condemnation, or otherwise any property interest (including, without limitation, contract rights and real property) related to Union Station but not held by the United States which the Secretary of Transportation deems necessary to carry out this Act or section 4(h) of the Department of transportation Act (49 U.S.C. 1653(h)).".

SEC. 3. Section 102(a) of the National Visitor Center Facilities Act of 1968 (40 U.S.C. 802(a)) is amended—

(1) by striking subsection (3) and inserting in lieu thereof the following:

"(3) After the lease is assigned to the Secretary of Transportation pursuant to section 101(b) of this Act, the Secretary of Transportation shall complete or cause to be completed, the parking facility, including approaches and ramps for adequate circulation, to accommodate automobiles, buses, and other transportation as appropriate, in the air space northerly of and adjacent to the existing Union Station building, and such structure shall continue to be leased to the United States as a part of the facilities to be leased to the United States pursuant to section 101(a) of this Act.";

(2) by striking subsection (4) and inserting in lieu thereof the following:

"(4) The Secretary of Transportation may authorize the Company to cease further construction of the new railroad passenger station in the area beneath and adjacent to the

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parking facility referred to in paragraph (3) of this subsection. The Company is further authorized, upon request of the Secretary of Transportation and without regard to any other law, to assign to the Secretary of Transportation all of the Company's rights and obligations (including, without limitation, occupancy, operation, and maintenance) in, to, or concerning a rail passenger station at Union Station (including, without limitation, the old Union Station building, the concourse, and the new rail passenger station now operated by the Company) and, upon the effectiveness of such assignment, to cease operations of a rail passenger station at Union Station."; and

(3) by striking subsection (8) and inserting in lieu thereof the following:

"(8) The rental paid by the Secretary under the sublease entered into pursuant to section 101(d) of this Act shall be a fair and equitable share of the cost of renting or purchasing and operating and maintaining Union Station, taking into account the respective fair market rental values and operating and maintenance costs of the spaces sublet to the Secretary and of the remainder of Union Station.".

SEC. 4. Section 103 of the National Visitor Center Facilities Act of 1968 (40 U.S.C. 803) is amended by striking out "under this subchapter" after "leased", and inserting in

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lieu thereof "or subleased under section 101 (d) of this Act and operated as a National Visitor Center".

SEC. 5. Section 109 of the National Visitor Center Facilities Act of 1968 (40 U.S.C. 807) is amended by striking out the full text thereof and inserting in lieu thereof the following:

"(a) There are authorized to be appropriated to the Secretary, to remain available until expended, such sums as are necessary for the operation and maintenance of the National Visitor Center including, without limitation, payment of rent under the sublease entered into pursuant to section 101 (d) of this Act.

"(b) There are authorized to be appropriated to the Secretary of Transportation, to remain available until expended, $30,000,000 to carry out the purposes of this Act.

"(c) The Secretary of Transportation is authorized to use funds received from the operation of the facilities through subleases, concessions, or similar activities, to pay the cost of leasing, operating, maintaining, and, if the purchase option is exercised, purchasing Union Station pursuant to this Act.

"(d) The Secretary of Transportation is authorized to expend funds appropriated pursuant to section 704 (a) (2) of the Railroad Revitalization and Regulatory Reform Act

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of 1976 (45 U.S.C. 854(a)(2)) to carry out the purposes of this Act without regard to the matching funds requirement of section 703(1)(B) of such Act (45 U.S.C. 853 (1)(B)).".

SEC. 6. Section 110 of the National Visitor Center Facilities Act of 1968 (40 U.S.C. 808) is amended by striking the second word of the first sentence and substituting in lieu thereof "Secretary of Transportation".

SEC. 7. The National Visitor Center Facilities Act of 1968 is amended by adding thereto a new section 111 as follows:

"SEC. 111. The Secretary of Transportation is authorized to construct a connection between the Union Station heating system and the Capitol steam plant and to use steam from the Capitol steam plant to heat Union Station.".

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Senator LONG. I will now call our first two witnesses, simultaneously, Mr. John M. Sullivan, Federal Railroad Administrator, and Mr. Larry E. Meierotto, Deputy Assistant Secretary of the Interior for Policy, Budget, and Administration. These two Departments have agreed and we'll be glad to hear from them first.

I am very pleased to have you gentlemen, and I would suggest that you proceed however you would prefer.

STATEMENTS OF JOHN M. SULLIVAN, FEDERAL RAILROAD ADMINISTRATOR, DEPARTMENT OF TRANSPORTATION AND LARRY E. MEIEROTTO, DEPUTY ASSISTANT SECRETARY OF THE INTERIOR FOR POLICY, BUDGET, AND, ADMINISTRATION; ACCOMPANIED BY MESSRS. KIVETT AND LEVINE

Mr. SULLIVAN. I would like to acknowledge your letter requesting our analysis of alternative plans for future construction of an intercity bus terminal adjacent to Union Station. We have looked at these propositions very carefully. In the limited time available, however, we have not reached any final conclusions. We have submitted to your staff some charts, and so forth, and cost estimates on these various alternatives.

Senator LONG. May I say to you, Mr. Sullivan, that Senator Magnuson sent me a letter—I will ask that it be made part of the record—in which he applauded the concept of making this a united transportation facility. Where the buses and the trains and the subway already comes up to it, isn't that right, so that people could bring transportation connections together and there could be one point where one could interchange from one mode of transportation to another, and, of course, from there, there are good connections out to National Airport, which would help to make airline connections more readily available to everyone.

So it could be a very useful point toward which one could move.

[The letter follows:]

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C., June 2, 1978.

Hon. RUSSELL B. LONG,
Chairman, Surface Transportation Subcommittee,
Committee on Commerce, Science, and Transportation,
U. S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I was pleased to learn that your Subcommittee will be holding hearings on S. 2995 this coming week, even though I will be unable to attend those hearings because of previous commitments I have made in the State of Washington. Because of my inability to attend those hearings in person, I would like to register with you my general support for the legislation proposed by the Administration and also my concern for the way in which companion legislation has been recently reported from the House Public Works Committee.

As you know, the problem of reconciling conflicting uses at Union Station has grown increasingly severe over the last several years. Since the enactment of the National Visitors Center Act in 1968, we have created Amtrak, the Metroliner Demonstration Program has moved forward, significant additional commuter rail service has begun, the energy crisis has occurred, and the Federal Government has made the decision to invest at least $1.9 billion in rail passenger service facilities in the Northeast Corridor, pursuant to Title VII of Public Law 94–210. Unfortunately, the bill reported by the House Public Works Committee does not reflect any of the above-mentioned events.

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It is important to move as rapidly as possible on this legislation because each year of additional delay not only brings further physical deterioration in the facilities themselves, but cost increases due to inflation, which are especially prevalent in construction projects.

While the Visitors Center construction to date could hardly be termed a success, it is time that the government live up to that fact and attempt to reconcile the existing mess with current reality. I believe it is a significant development that the Secretaries of Transportation and Interior have agreed upon a plan, and it would appear to me that the plan would make a great deal of sense. I was somewhat disappointed that it fails to take into account the possibility of making Union Station, or the surrounding area, an intermodal terminal. I would hope that you give this concept some consideration because a system of intermodal terminals, in conjunction with through-ticketing and baggage handling arrangements, would benefit both bus any train passengers and would lead to much greater use of these energy efficient means of transportation.

Your action in holding these hearings and moving this legislation along is to be commended, and I can assure you that authorizations created for the purpose of funding a plan similar to that proposed by the Administration would receive sympathetic consideration in the Appropriations Committee. On the other hand, I could not support further appropriations for any plan resembling that recently reported by the House Committee.

With warm personal regards, I remain

Sincerely,

WARREN G. MAGNUSON,
Chairman.

Senator LONG. It was also suggested to me that there are parking places in town, for example, RFK Stadium lot, there are ample facilities where people can leave their car, step to the subway and proceed to step off at this facility and, at that point he can board either a bus or train for his destination.

So it does have a lot of potential. And the question is, can we develop it, and I think we ought to explore that in this meeting.

Mr. SULLIVAN. I have with me today also, Mr. Chairman, Mr. Hanan Kivett, who is active with our Northeast corridor group and Mr. Arnold Levine from the Secretary's staff, who is knowledgeable about the intercity bus industry.

With your permission, I would like to submit my statement and read a brief summary.

I am pleased to be able to appear before you today in support of S. 2995, a proposal to complete and improve the Washington Union Station National Visitor Center complex.

Back in 1968, when the Congress passed the Visitor Center Act, Union Station appeared to be nearing the end of its useful life as a railway passenger terminal. Since the 1940's, train travel had decreased significantly. However, as the need for a railway terminal seemed to be waning, the need for improved accommodations for visitors to the Nation's Capital was becoming more and more urgent. The Congress recognized the trend of the times by designating the Union Station building as the National Visitor Center.

Nevertheless, since the inception of the National Visitor Center, transportation trends have changed while the visitor center as currently configured has been underutilized. In view of the environmental and energy-related benefits of rail transportation, the Congress in 1974 authorized the Northeast corridor improvement project. This is a $1.75 billion Federal commitment to the preservation and enhancement of intercity rail passenger service in the heavily populated Atlantic seaboard region. As a direct and desired result of this Federal commitment, Amtrak patronage at Union Station is expected to increase significantly from its current level.

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Also, with the completion of the Metro Red Line from Dupont Circle to Silver Spring, and the corresponding rerouting of Metrobuses, Union Station has already become an important link in Washington's public transit network.

The practical problems at Union Station today are serious and require immediate attention. The Interior Department through the National Park Service is saddled with a facility which is too large for its needs. Train passengers must walk long distances, approximately one-third of a mile from the front door on Columbus Plaza to the train loading platforms.

In addition, work has been suspended on the parking garage and improvements to the main building. For this reason, there is no place for potential rail passengers or visitor center users to park—a further obstacle to increased use of the facility. The suspension of work has left structural elements exposed to the weather, resulting in their physical deterioration. Conditions in the buildings have become hazardous for employees, visitors, and rail passengers. Repairs are essential even if the present use of the building is to continue.

For more than a year now, Secretary Andrus and Secretary Adams have been discussing these problems, and have agreed that the Department of Transportation should assume control of Union Station and should quickly reconfigure and complete this facility as a transportation and visitor center. They have also agreed on the necessity of completing the near term repairs expeditiously, the nature of the long term work and the timing for completion, the general allocation of space in the building, and the division of ownership and operational responsibilities for the station.

S. 2995 is a coordinated proposal that we believe meets the needs of the potential users of the complex, including tourists, as well as commuters and longer distance rail passengers. I must emphasize that it will cost money and is going to take some time to complete. However, our best judgment is that our proposal is a workable plan which can be performed within the proposed funding and time schedules.

The Department of Transportation is willing to contribute an additional $22 million, bringing the total project cost up to $52 million. Because of the large additional authorizations necessary just to restore the building and complete construction, we have not proposed any additional expansion of the Union Station complex and have specifically deferred consideration of the intermodal terminal authorized by Public Law 93–496. However, nothing in the plan precludes access to the Union Station complex from any future intercity bus facility.

Our decision not to include funding for such a facility at this time should not be construed as opposition to the intermodal concept. In fact, the administration has proposed and Senate bill S. 2441 includes a new $200 million per year authorization for transportation-related urban initiatives.

The Secretary has stated that this program will include projects which integrate private commercial investment with public transportation investment projects which facilitate the viability of intermodal transfers and joint public-private development projects in the vicinity of transportation stations. The administration proposal for Union Station is, however, a pragmatic recognition of the more immediate

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budgetary priorities, where we have deteriorating structure, inadequate temporary facilities, and limited physical resources. In deferring any decision on intercity buses, we also considered the fact that all preliminary plans for intercity bus facilities proposed to date included either very expensive "air rights" construction or unresolved land acquisition problems, and this would preclude their completion on the same urgent schedule as the work proposed in S. 2995 which we are prepared to implement immediately.

I will be happy to respond to any questions, Mr. Chairman.

Senator LONG. In view of the construction problems we have had in the past 10 years, can the Department give us assurances that if it carries out the final construction work, rather than the GSA or Corps of Engineers, that it will be completed on a timely basis and within cost estimates?

Mr. SULLIVAN. Yes, sir. We have made very cautious, conservative estimates and the work will be placed on fixed-price contracts. We are confident we can accomplish it.

Senator LONG. What is the additional cost, as a result of the exposure of structural elements to the weather?

Mr. SULLIVAN. Actually, my recollection is that there is about $30 million of cost, without doing anything to the rail facilities, just to complete the parking garage and transit access ramps, get the structural elements protected and rehabilitate the historic buildings structural and utility systems.

I have been in the basement there, Mr. Chairman. We will show you some pictures. It is in bad shape. There are places where the steel girders have had to be propped up. There is one place I found where you could actually put your hand through a hole rusted through the steel girders. So the building is in very bad shape.

[The statement follows:]

STATEMENT OF JOHN M. SULLIVAN, ADMINISTRATOR OF THE FEDERAL RAILROAD ADMINISTRATION

Mr. Chairman and members of the committee: I am pleased to be able to appear before you today in support of S. 2995, a proposal to complete and improve the Washington Union Station/National Visitor Center complex.

Back in 1968, when the Congress passed the Visitor Center Act, Union Station appeared to be nearing the end of its useful life as a railway passenger terminal. Since the late 1940's, train travel had decreased significantly. However, as the need for a railway terminal seemed to be waning, the need for improved accommodations for visitors to the Nation's Capital was becoming more and more urgent. The Congress recognized the trend of the times by designating the Union Station building as the National Visitor Center.

Nevertheless, since the inception of the National Visitor Center, transportation trends have changed while the Visitor Center as currently configured has been underutilized. In view of the environmental and energy-related benefits of rail transportation, the Congress in 1974 authorized the Northeast Corridor Improvement Project. This is a $1.75 billion Federal commitment to the preservation and enhancement of intercity rail passenger service in the heavily populated Atlantic Seaboard region. As a direct and desired result of this Federal commitment, Amtrak patronage at Union Station is expected to increase significantly from its current level. Also, with the completion of the Metro Red Line from Dupont Circle to Silver Spring, and the corresponding rerouting of Metrobuses, Union Station has already become an important link in Washington's public transit network.

The practical problems at Union Station today are serious and require immediate attention. The Interior Department, through the National Park Service, is saddled with a facility which is too large for its needs. Train passengers must walk long distances, approximately one-third of a mile from the front door on Columbus Plaza to the train loading platforms.

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In addition, work has been suspended on the parking garage and improvements to the main building. For this reason, there is no place for potential rail passengers or Visitor Center users to park—a further obstacle to increased use of the facility. The suspension of work has left structural elements exposed to the weather, resulting in their physical deterioration. Conditions in the buildings have become hazardous for employees, visitors and rail passengers. Repairs are essential even if the present use of the building is to continue.

For more than a year now, Secretary Andrus and Secretary Adams have been discussing these problems, and have agreed that the Department of Transportation should assume control of Union Station and should quickly reconfigure and complete this facility as a transportation and visitor center. They have also agreed on the necessity of completing the near-term repairs expeditiously, the nature of the long-term work and the timing for completion, the general allocation of space in the building, and the division of ownership and operational responsibilities for the station.

S. 2995 is a coordinated proposal that we believe meets the needs of the potential users of the complex, including tourists, as well as commuters and longer distance rail passengers. I must emphasize that it will cost money and is going to take some time to complete. However, our best judgment is that our proposal is a workable plan which can be performed within the proposed funding and time schedules.

Now, I would like to explain what we propose. (The Committee may wish to follow along in the reference books we have supplied.)

First, immediate repairs are essential to the parking garage, the southeast ramp, and the main building. These structural support and fire protection measures are needed immediately to insure the integrity of the garage, ramp, and the Station itself, and to stop the deterioration. These urgent remedial efforts will help to preserve the National Visitor Center and rail terminal alike.

Second, the completion of the parking garage will include minor changes in design to expand the planned parking capacity from 1,200 to 1,400 cars.

Third, our program includes railway station improvements which will expedite passenger processing, provide appropriate waiting areas, upgrade public services and other amenities, and allow for revenue-producing concessions. Our proposal for upgrading the rail terminal will reduce the distance from Columbus Plaza to the tracks by 50 percent to 60 percent, providing the elderly and handicapped and all other rail passengers with direct and expeditious access to the trains. As you know, the Architectural Barriers Act of 1968, Section 16 of the Urban Mass Transportation Act of 1964, as amended, and Section 504 of the Rehabilitation Act of 1973 require that facilities of this nature be accessible to the elderly and handicapped. By these improvements, we will be affirmatively carrying out these legislative mandates.

Fourth, on-site roadway improvements will include completion of the southeast ramp, thereby improving local bus access to the garage. A taxi queuing ramp will be constructed on the east side of the Station to reduce congestion in Columbus Plaza and adjacent city streets. Again, these improvements will benefit all users of the facility.

Fifth, long-term repairs to the main building will include a modernized electrical distribution and branch circuit system; a new roof and roof drainage system; a new heating system; and long-term structural system repairs.

Sixth, non-construction costs would pay for the Government's possible acquisition of certain property interests at the Station.

We estimate that approximately $30 million in new authority will be required to rehabilitate the old Station building, complete construction, and provide a usable facility for rail passengers and visitors. The Department of Transportation is willing to contribute an additional $22 million from funds already authorized or the Northeast Corridor Project, bringing the total project cost to $52 million. We intend to put the contracts out for competitive bids, with fixed price requirements, to protect as much as possible against cost escalation and inflation. The cost estimates assume that construction begins in January 1979. Of course, there will be cost increases if that date is not met.

Because of the large additional authorizations necessary just to restore the building and complete construction, we have not proposed any expansion of the Union Station complex, and have specifically deferred consideration of the intermodal terminal authorized by Public Law 93-496. However, nothing in our plan precludes access to the Union Station complex from any future intercity bus facility.

Our decision not to include funding for such a facility at this time should not be construed as opposition to the intermodal concept. In fact, the Administration has proposed (and Senate Bill S. 2441 includes) a new $200 million per year

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authorization for transportation related urban initiatives. The Secretary has recently stated that this program will include "projects which facilitate or integrate private commercial investment with public transportation investments, projects which facilitate the viability of intermodal transfers, and joint public-private development projects in the vicinity of transportation stations."

The Administration proposal for Union Station is, however, a pragmatic recognition of the more immediate budgetary priorities where we have a deteriorating structure, partially finished construction, inadequate temporary rail facilities and limited fiscal resources. In deferring any decision on intercity buses, we also considered the fact that all preliminary plans for intercity bus facilities proposed to date include either very expensive "air-rights" construction or unresolved land acquisition problems. This would preclude their completion on the same urgent schedule as the work proposed in S. 2995, which we are prepared to implement immediately.

Given the troubled history of the complex, we have also not proposed collecting the capital funds required from the variety of other Federal and local entities involved with the complex. Any attempt to do so would only further delay an already much delayed project.

This concludes my prepared statement Mr. Chairman. I would be happy to answer any questions you or any of the members of the Committee may have at this time.

Senator LONG. Mr. Meierotto.

Mr. MEIEROTTO. Thank you, Mr. Chairman. I am pleased to be here this morning to discuss with you the circumstances of the National Visitor Center.

As is known by all, the National Visitor Center project has encountered a series of difficulties in its construction to the point that, today, its critical parking garage facility is still uncompleted and available funds are exhausted.

Rather than recite the multitude of problems which have beset the visitor center——

Senator LONG. Let me just stop you right there. Isn't that a waste of money, to spend money to provide a parking facility and not complete it?

I think that is the utmost of waste, to start something and never complete it.

Mr. MEIEROTTO. The difficulty is we have just run out of money, Mr. Chairman.

Senator LONG. Yes. All right.

Mr. MEIEROTTO. I would like to submit for the record a copy of Secretary Kleppe's letter and detailed chronology of events describing the visitor center's history and forwarded to Senator Byrd and Representative Yates on January 13, 1977.

Our concern today is where to go from here with the National Visitor Center.

As you know, Secretary Adams and Secretary Andrus reached agreement in July of last year that Union Station, in light of anticipated increased rail passenger use in the years to come, should be devoted principally to railroad passenger station use.

For that reason, the Departments of Interior and Transportation are recommending the enactment of S. 2995, which would transfer lead authority for completion of the National Visitor Center's parking garage and use of the old Union Station Building to the Department of Transportation.

By mutual agreement, the National Visitor Center may occupy a portion of the old Union Station Building, principally the main hall and the east wing, for an estimated annual cost of approximately $1.4 million or less.

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Under our original proposal, we provided for rail use of the station's west wing and concourse.

As you may be aware, the House Public Works Subcommittee proposed a modification to this plan which would retain the west wing for visitor center use.

Although this modification reduces Union Station's utility as a rail station, Secretary Andrus has agreed with Secretary Adams and Amtrak that this is an acceptable alternative.

We believe, however, that notwithstanding the rail needs of visitors to Washington, rail passengers must take precedence in utilization of the facilities of Union Station.

We believe that the enactment of S. 2995 will accomplish this transiton.

The Department of Transportation, I am sure, has described to you in detail its plans for rail passenger utilization of Union Station.

I believe that the two Departments, working together, can develop plans that will accommodate both rail passenger and visitor needs and also preserve the beauty and dignity of Union Station for the benefit of the city and the Nation.

I will be pleased to answer any questions you may have.

[The material referred to follows:]

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., January 13, 1977.

Hon. ROBERT C. BYRD,
U.S. Senate,
Washington, D.C. 20510

DEAR SENATOR BYRD: In hearings before the Subcommittee of the House on Interior and Related Agency Appropriations on August 31, 1976, we furnished a background chronology of some significant events associated with the National Visitor Center. I am now taking the liberty of forwarding to you the results of a further review of our records which expands on that chronology. Also enclosed is a memorandum on the legal aspects of contracting procedures used at the Center.

I believe any review of the full record would show that the past ten years demonstrate our mutual interest in bringing to reality a fully operating National Visitor Center. That review would also show a number of key events which could not have been anticipated by the most prescient among us, and which were directly responsible for pushing the cost of the Center far above what was originally anticipated. These events range from overly optimistic estimates and a delay in arranging financing at the outset, to the energy shortage, a resurgence of rail passenger activity, construction delays and inflation as the years passed.

As I read the enclosed document, I am struck by the close working relationship which this Department had with the Congress and also by the near-unanimous support for the Center on the part of the Congress, the President and the media when critical decisions were made in the 1960's and again in 1974. I am also convinced that the visitor center concept to which we all became fully committed remains a sound concept. However, I fully realize that the transportation situation has changed and that the Department of Transportation would prefer assuming jurisdiction over a significant portion of the complex.

Whatever the outcome, I am certain that this Department will continue to search with other interested parties for the best solution for eventual completion and use of the Center.

Sincerely,

THOMAS S. KLEPPE,
Secretary of the Interior.

Enclosures.

[Identical letter sent to: Hon. Sidney R. Yates, House of Representatives, Washington, D.C.]

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National Visitor Center

BACKGROUND

In the mid 1960's, Washington, D.C. was well established as a prime attraction for visitors from all over the United States and throughout the world. Visitation was on the rise and responsible forecasters were predicting that visitation would more than double by 1980. Congress and the Executive Branch were sensitive to the absence of systematic and effective services to assist visitors. They also recognized the difficulties often experienced by visitors in finding convenient parking spaces for their automobiles. (The search for parking included consideration of large garages under the Ellipse and the Mall and additional parking at Arlington National Cemetery.)

Accordingly, in 1966, Congress established the National Visitor Center Study Commission to "make a full and complete investigation and study of sites and plans to provide facilities and services for visitors and students coming to the Nation's Capital." The Commission considered many alternatives and recommended Union Station, an architectural landmark owned by the Washington Terminal Company, in turn owned by the Baltimore and Ohio and Penn Central Railroads, as the site for a National Visitor Center for four principal reasons:

"(1) It will be convenient for visitors arriving by rail and rapid transit, and will be accessible to the Center Leg Freeway for those traveling by automobile and bus;

(2) It is a historic monument in danger of demolition for economic reasons;

(3) It is in close proximity to the Capitol, the destination of many visitors, and an interpretive shuttle system will permit convenient service to this and other points of interest;

(4) It requires a minimum outlay of public funds in order to begin a Visitor Program.

When Union Station was proposed and debated by Congress in 1967, and when the National Visitor Center Facilities Act was enacted in 1968, railroad usage of the Station had declined to the point where the owners were willing to relinquish the building in favor of a smaller terminal which they would construct.

The news media favored the project, as reflected in this December 4, 1967, editorial in the Washington Evening Star:

"Thanks to the excellence of the House debate the other day on the plan to convert Union Station into a National Visitors Center, there is now a good chance that the legislation needed to advance this worthy project will win Congress' final approval this month.

The Senate Public Works subcommittee, which will consider the House-passed bill tomorrow, should require no persuasion as to the need for such a facility. . . ."

From optimistic beginnings, the nine-year period since enactment has seen financing difficulties, changes in project size and scope, negotiations and renegotiations toward agreements on how to proceed, amendments to the original Act, Congressional examinations of cost escalations, overruns and delays, strikes, additional funding to supplement the private resources, and termination of a major portion of the project.

Additionally, a number of events which could not have been anticipated in 1968 caused a reexamination of the Visitor Center at Union Station and delayed completion of the facility at or near the originally estimated price. Paramount among these events are the energy shortage which has been largely responsible for the resurgence of passenger and rail use, and inflation which, coupled with other factors, rendered original cost estimates obsolete.

Increased rail usage has produced a renewed interest in Union Station not only by the railroads but also by the Department of Transportation. DOT previously regarded Union Station as ideal for bringing various modes of transportation together to promote easier use, but funding was not available for this purpose and the visitor center concept, proceeding under Congressional mandate in times of energy abundance and declining rail passenger traffic, prevailed.

Funds necessary for completion changed dramatically from the $16 million noted in the Act. Construction was delayed more than five years from the time of the original estimate, primarily because of funding difficulties. The Penn Central Railroad went bankrupt, further complicating funding arrangements. The prime interest rate soared as did the rate of inflation. With inflation came a labor and materials price rise.

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There were also unforeseen construction-related problems. For example, the original cost estimate was based on a general inspection of the building rather than a detailed inspection. Target estimates were made from incomplete drawings and quantity estimates were based on typical structures. The parking garage structure, however, was atypical and complex because construction had to proceed over operating rail facilities. Access to the track area, though originally expected to be good because of decreasing passenger rail service, became a major problem as the demand for passenger service increased.

Costs increased from changes in the construction schedule occasioned by adjacent Metro construction, railroad restrictions from changes in track availability work stoppages, strikes and the Amtrak lawsuit. Costs also increased from the acceleration order which was intended to complete the facility for the Bicentennial Year.

The following explains what occurred as the National Visitor Center became a $50 million project instead of the originally intended $16 million, while the capacity of the parking garage, which will not be completed until additional funding is obtained, decreased to 1,200 cars from a generally anticipated 4,000 cars.

NATIONAL VISITOR CENTER FACILITIES ACT OF 1968

The National Visitor Center Facilities Act of 1968, Public Law 90–264, was enacted March 12, 1968. The Act authorized the Secretary of the Interior to negotiate and enter into agreements and leases with the Washington Terminal Company, the owner of Union Station, or its successors, for the purpose of Leasing Union Station for use as a National Visitor Center where tourist could get an orientation to Washington, and adjacent air space for a related parking facility to be constructed by the owners.

The general plan was to permit the United States to lease Union Station, adjacent air space, and $16 million worth of new construction to be undertaken by the owners, without initially spending any Government funds. Purchase of the property and improvements was to be paid to the owners over the term of the lease throught the Visitor Center lease payments. It was also understood that the owners would seek a private mortgage loan to provide the $16 million construction funds. The points of the legislation most relevant to subsequent events are:

(a) The lease rate and terms were specified as not to exceed $3.5 million and 25 years, respectively;

(b) The parking facility was directed to be constructed in air space over the railroad tracks north of the Union Station building and to contain "as nearly as possible" 4,000 automobiles;

(c) The cost of the improvements (renovation of Union Station and construction of the parking facility) was not to exceed $16 million;

(d) The owners were to provide the $16 million from private sources and construct the improvements pursuant to their own private construction contracts for the Secretary as tenant;

(e) The owners were also to construct a smaller new rail passenger terminal adjacent to or beneath the proposed parking facility at their expense, to accomodate a dwindling number of train passengers;

(f) The lease was to commence when the facilities were available for public use;

(g) The Secretary was to have the option to purchase the leased property during the term of the lease at not more than fair market value less credit for rental payments attributable to purchase by agreement.

The report of the National Visitor Center Study Commission had also said, "If the $11 million cost must be adhered to, a garage for 3,036 cars and 116 buses can be constructed at this time . . ." or for 3,500 cars. These figures were translated into legislation which said that "as nearly as possible four thousand motor vehicles" should be accommodated in the garage, which would be constructed at a cost of roughly $11 million. The 4,000 figure became the target though there was substantial evidence to suggest this was not attainable with the available funds.

By letter of October 6, 1967, Secretary Udall had supported an early version of the bill that was to eventually become the Act, but noted, in agreement with the Commission's report:

(a) The $11 million that the bill earmarked for construction of the parking facility of 4,000 automobiles was based on a dated estimate; it would take $13.2 million to build only a 3,675-car and 116-bus parking garage. He recommended deletion of the bill's cost ceilings for this reason.

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(b) The bill only permitted lease of the property and that it would perhaps be preferable to purchase rather than lease as the Federal use would be for an indefinite period of time; a request for an amendment to provide a purchase alternative and direct Government construction of improvements was made.

The bill that eventually became the Act omitted these two recommendations.

1968 AGREEMENT AND SUBSEQUENT FINANCING

The Department of the Interior entered into negotiations with the owners of the property and the negotiations culminated successfully in a mutually acceptable agreement and lease, both of which were formally executed on December 18, 1968. The Baltimore and Ohio Railroad and the Penn Central Railroad, parent companies of the Washington Terminal Company, were the negotiating agents, and the actual owners. The terms of the agreement and lease, authorizing a 7 percent interest rate on the $16 million mortgage were approved prior to its execution by the National Visitor Facilities Advisory Commission. The U.S. General Services Administration approved the property appraisal and concurred in the fair rental value for the property as altered and improved.

From the time the agreement was executed until April 1969, the owners attempted unsuccessfully to finance the project with the 7 percent annual interest rate limitation set forth in the agreement. Conditions of the money market, where the interest rate ran to approximately 9 percent for similar loans, were such that the project might be deferred indefinitely.

On April 17, 1969, the owners proposed that they advance sufficient funds, estimated at $500,000, at the floating prime rate, to carry the project forward to approximately March 31, 1970, and that they attempt to line up a construction loan on the best terms available to carry the project through to completion and to repay the owners' advances. If the annual interest rate on the borrowings arranged exceeded 7 percent, the limitation on the cost of financing the improvements as provided under the present agreement would not be applicable. In this event, the lease rentals would be recalculated to cover the increased interest cost.

On May 6, 1969, Assistant Secretary of the Interior Leslie L. Glasgow advised the owners that while awaiting the interest rate to reach an acceptable level, they could, within the current agreement, advance $500,000 at an interest rate not to exceed 7 percent per annum but there was no consent to arrange the loan on the best terms available. On June 5, 1969, the owners agreed to advance the funds to finance the project through the initial planning and well into the construction drawing stages and the necessary approvals by the Secretary and other appropriate officials. The Penn Central Transportation Company bankruptcy of June 21, 1970, further complicated the search for financing.

On September 28, 1970, the National Visitor Facilities Advisory Commission met to give the railroads an opportunity to review for the full Commission the status of the financing. The owners asked at that time that the proposed amendment to lift the 7 percent interest limitation be signed prior to seeking another offer for financing. The Commission voted not to recommend approval until such time as the railroads could present a firm offer for the loan. The Commission was recessed pending a further report of the railroads on such an offer.

Secretary Morton, on September 20, 1971, expressed his concern to the owners "that the project is being unreasonably delayed . . . You are requested to submit, within 45 days . . . a specific program for performance of the agreement . . ." Following receipt of information that the railroads were not in accord on financing, the Secretary again asked the railroad presidents to arrive at a final determination of the future of the project. Shortly thereafter, the B&O Railroad assumed management responsibility for the project, and sought financing under the 1968 Agreement.

On February 4, 1972, President Nixon, in his message to the Congress on the Bicentennial for the District of Columbia, directed the Secretary of Transportation to coordinate plans for supplementing the subway lines by 1976 with a network of other public transportation for visitors. The President stated further:

"At the hub of this network should be a new National Visitor Center in and around Union Station. Such a facility, desirable for all years, becomes indispensable as we look to the Bicentennial. *I have therefore charged the Secretary of the Interior, in consultation with the Secretary of Transportation, to take immediate action to move the National Visitor Center out of the talk stage, and to prepare new proposals for bringing it to completion by 1976.* . . . An 'air rights' parking garage for buses and visitors' cars, convenient public transit connections, and a central information facility tied in with a citywide tourist guidance and information system would be the major features of the project. (Emphasis added.)"

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Recognizing that this project provided an opportunity for public and private resources to combine in filling a Bicentennial need, the President asked the two Secretaries to seek substantial railroad participation in developing the new proposals.

1972 AGREEMENT AND LEASE

Further intensive negotiations resulted in the March 1, 1972, Agreement and Lease, which replaced the 1968 Agreement with the corporate owners of the property. The major change in the 1972 Agreement was the interest rate increase to 7½ percent, up from 7 percent, with a concomitant increase in rental payments. There were also these provisions, largely repeated from the 1968 Agreement:

(a) The owners were to bear cost overruns on the $16 million construction, if subsequent to receiving firm bid and performance bond assurances, the cost nevertheless ran over. However, if such assurances could not be procured, construction would not begin until the Secretary agreed to a scaled down project which could, in fact, support the bid and bond assurances.

(b) The rental rate ($3,338,127.04) was identified as a function of the monies needed to amortize the $16 million mortgage loan mentioned above over 25 years at 7½ percent interest and a $27.05 million mortgage loan over 25 years at 5 percent interest. The latter loan represented the portion of the loan attributable to the time purchase of fee title to the leased property;

(c) The Government was to have the option to purchase fee title to the leased property at any time after the first year of the lease term upon payment of specified sums and the option to purchase the leased property in fee for $1 at the end of the 25-year lease term.

(d) The entire agreement was subject to the owners being able to procure the 7½ percent mortgage loan mentioned above.

Several elements of the 1972 Agreement reflecting the mandates of the Act should be noted:

(a) The Government's legal status pursuant to the 1972 Agreement (reflecting the Act) was that of a prospective tenant until the improvements were completed and an actual tenant as of completion.

(b) Contracts entered into by the owners for construction of the improvements were non-government contracts between private parties and not subject to the Federal Procurement Regulations. However, the 1972 Agreement, pursuant to the Act, specified nonetheless that such items as the Washington Plan, EEO requirements, and Davis-Bacon Act requirements were to be included in such contracts.

(c) The Secretary only agreed and was authorized tc reimburse the owners through rental payments pursuant to the Act exactly $16 million for construction. Therefore, there legally could have been no compensation to the owners for cost overruns above the $16 million. The provision noted above respecting firm bids, performance bonds, and the requirement to scale down construction if necessary reflect the owners' desire to minimize exposure to an overrun. The Act, by placing an absolute cost ceiling on construction and dictating the location and size of the parking facility, necessitated these unique provisions in the 1972 Agreement.

There was no provision for Federal funding and the design and location of the rail passenger station was not specifically defined.

CONSTRUCTION LOAN

Although the new agreement was dated March 1, 1972, it was not executed until September 21, 1972. Nevertheless, the agreement permitted the owners to actively seek financing under the new terms and to close the loan conditionally on April 17, 1973, permitting the first phase of construction to begin on May 7, 1973, with completion scheduled for January 1, 1976.

The condition of the loan was that final loan approval would not be forthcoming until final plans, specifications and cost estimates were available and approved. The loan permitted construction to commence pending these events, as it immediately did, but all loan funds were guaranteed to be reimbursed by the B&O Railroad in the event of failure of final approval. The net result of these arrangements was that the owners were permitted to commence work but only at their own risk and expense in the event that project costs were not acceptable.

The loan was closed on the assumption of constructing a 2,000-car parking garage for $11 million and spending $5 million for renovation and construction of Union Station for visitor center purposes. The garage had been reduced in size and redesigned, primarily because of rapidly rising costs of labor and materials.

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THE 1973 AMENDMENT

Due to cost escalations that occurred since the passage of the Act, considerable scaling down of the project was necessary to keep it within the overall statutory cost limitation. In accordance with the scaling down provisions of the 1972 Agreement and contemporaneous with the signing of the Agreement, Interior, on September 8, 1972, approved a statement of estimated project costs which specifically included a parking facility with spaces for 2,015 vehicles.

As the 1972 Agreement also provided that with certain fees, including interest on the loan, mortgage broker fees, surveys, appraisals, etc. to be charged against the $16 million which the owners committed to the project, and additional costs from 4½ years of inflation since 1968, more funds were required to complete the facilities by 1976. Of the $16 million, which was based on a 1967 estimate, as of January 22, 1973, there was available only $12,284,000 for actual brick and mortar construction.

Accordingly, the Secretary of the Interior sought amendment to the 1968 Act and on February 20, 1973, H.R. 5857 was introduced to authorize $8.68 million to complete construction related to the Visitor Center which the owners would not be able to accomplish under their financing arrangements and the agreement. As examples, only one of two proposed visitor welcome programs and one of two of the theaters would be provided; the east reception area would not be completed; improvements to the mechanical and electrical system to permit air conditioning of the concourse and lounge areas would not be accomplished; the removal of the east end of the concourse and construction of the east ramps for Tourmobile and garage access would not be undertaken; the badly needed complete exterior cleaning, tuck pointing, roof repair and replacement would not be possible.

The $8,680,000, sought in the Fiscal Year 1974 Budget, would permit the completion of all this construction work. It would also provide for the audiovisual equipment, exhibit construction, and furnishings (at a cost of $1,580,000) which had always been considered the responsibility of the Government to provide and install within the structural elements funded by the railroads. The goal of completing the facility in time for the American Revolution Bicentennial celebration was now clearly established.

The Act of July 6, 1973, ("1973 Amendment"), amended Public Law 90–264, among other matters, to authorize $8.68 million to be appropriated and spent by the Secretary to supplement the construction to be undertaken by the owners. Such supplementation was permitted to take place directly by competitive bidding, or where deemed by the Secretary to be in the best interests of the United States, by negotiated contract with the owners, so long as the agreement and lease authorized by the owners (the 1972 Agreement) had been entered into by the Secretary. Funds in the amount of $8.68 million were appropriated in July 1974. Also authorized, with no expenditures attached, was the extension of interpretive transportation services to other tourist attractions.

As the agreement and lease authorized by Public Law 90–264 had been executed, the Secretary was immediately authorized to expend the money as a supplement to the private funds.

1973 LETTER AGREEMENTS

Just prior to passage of the 1973 Amendment, on May 31, the owner's Contractor Agent, the George Hyman Construction Company, received the first solicited bids which revealed a major cost escalation, $17 million for the parking garage, as compared with a projected $11 million for the scaled down version. The National Park Service arranged for an independent cost analysis which on July 20 confirmed the $17 million figure. Efforts to modify the scaled down plan first suggested that a functional parking facility for in excess of 1,750 vehicles could be built within the $16 million availability, but that a portion of the funds formerly earmarked for remodeling Union Station, would have to be diverted for the parking complex. Further review, in the fall of 1973, revealed that only a 1,200-vehicle facility could be built for in excess of $16 million. Options explored at this time included resuming the project with Interior funds and abandoning the project, at a probable cost of $4 to $9 million. Work stopped in the fall of 1973 until the cost problems could be solved.

On November 15, 1973, the House Subcommittee on Public Buildings and Grounds, Committee on Public Works, and Interior officials, taking into account the cost escalation and the continued desirability of new parking, agreed that $22.5 million of the $24.68 million available funds should be programmed to construct

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the parking garage, and that additional funds should be authorized to complete the conversion of Union Station. Such legislation was introduced as H.R. 11763 and hearings were held in December on an additional authorization of $12.9 million.

The specific arrangements of the scaled down project were detailed in the December 21, 1973, Letter Agreement and accompanying Attachment A ("1973 Letter Agreement") between the Secretary and the owners. The 1973 Letter Agreement identified a certain portion of the parking facility which was estimated to cost $16 million as Project 2A (essentially the main slab and ramps) and made it the responsibility of the owners to construct. The 1973 Letter Agreement also identified a Project 2B (essentially the first thru third parking levels) of the parking facility and a Project 1, Conversion of Union Station into the Visitor Center, to be built with the Government funds authorized by the 1973 Amendment and appropriated in July 1974. Project 3 consisted of the replacement rail passenger station.

The 1973 Letter Agreement established the following obligations by amendment of the 1972 Agreement:

(a) Project 2A to be built with the owner's $16 million was defined thereby waiving the owners' right to further scaling down of construction responsibilities pursuant to the firm bids and performance bonds provision of the 1972 Agreement; in other words, regardless of what the cost might prove to be for Project 2A, the owners were obliged to construct and pay for it;

(b) The owners were to build Project 2B, estimated to cost $6.5 million, for the account of the Government pursuant to the pre-existing private construction contract, a February 27, 1973, "Contractor Agent Agreement" with Hyman, and subcontracts entered into pursuant thereto but as modified by the terms of the 1973 Letter Agreement;

(c) The Secretary was to undertake the renovation and construction work for Project 1 pursuant to Government contract authority, with no absolute right of the owners or Hyman to such construction work.

As Project 2 work was already substantially commenced by December 21, 1973, pursuant to existing non-government contracts, (principally the Contractor Agent Agreement) such contracts remained in effect for the construction of Project 2. They were, however, amended substantially by negotiation to include to the extent practicable the provisions of the Federal Procurement Regulations applicable to a cost type government construction contract, even though legally, such requirements were not applicable to private construction contracts. For example, the contractor agent fee for Project 2B was required to be a fixed fee as opposed to the percentage of cost provision contained in the original Contractor Agent Agreement, costs of construction were required to be computed pursuant to Subparts 1–3.808 and 1–15 of the Federal Procurement Regulations, and a limitation on fees on cost type subcontract work was included.

Project 1 construction work, because it had not been substantially commenced and was physically separable from Project 2 construction work, was deleted altogether by negotiation from the Contractor Agent Agreement so as to permit direct government contracting pursuant to all of the usual applicable Federal Procurement Regulations, although this was not legally required.

The parties formally agreed that all construction work to was be "fast-tracked" under cost reimbursable contract principles; that is, commenced and undertaken prior to completion of final plans and specifications. This decision was dictated by the Congressional and Presidential mandate that the National Visitor Center be completed by January 1976 to serve as the focal point of the Bicentennial celebration in Washington, D.C.

Late in 1973, construction costs were accelerating at approximately $84,000 a month, according to the contractor, The energy crisis further complicated the condition and affected delivery of materials. Where subcontractors and suppliers had been giving firm 30-day bid prices, their bids were now good for seven days. Steel bars were increasing in price. Time required for deliveries of steel pilings had increased from four to seven months.

AMTRAK SUIT AND LOAN WITHDRAWAL

Upon the execution of the 1973 Letter Agreement, construction work was resumed on the project under the new framework described above. A lawsuit filed on June 28, 1974, by Amtrak against the owners of Union Station upset these arrangements. The suit, among other things, charged the owners with failure to provide an adequate replacement passenger terminal and alleged a discrepancy in the title to Union Station with the result that the $16 million private bank loan secured by a mortgage on the property was withdrawn.

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The critical allegation of the complaint was that the Washington Terminal Company, which at the time of the passage of the Act owned Union Station and the adjacent air space subsequently leased for the National Visitor Center, fraudulently conveyed the premises to subsidiaries of the owner, Terminal Realty Baltimore Company (B&O) and Terminal Realty Penn Company (Penn Central) as a means of diverting the anticipated revenues from the National Visitor Center agreement and lease away from the operator of the Union Station terminal, the Washington Terminal Company.

In conjunction with this allegation the assertion was made that because of the alleged diversion, the Washington Terminal Company did not have sufficient assets to construct a replacement rail passenger station as required by the Act. The fraudulent conveyance charge, under applicable District of Columbia law, had the immediate effect of placing a cloud upon the owners' title to the property leased to the Secretary by the 1972 Agreement. As this property was the security interest for the $16 million Loan mentioned above, and the alleged fraud placed in jeopardy the title of the mortgagees (the owners), the New York bank consortium, as of August 5, 1974, withdrew its loan commitment to the owners.

Because of the withdrawal of the Loan commitment, the owners notified the Secretary on August 20, 1974, that they were halting all construction work and terminating the 1972 Agreement, as amended by the 1973 Letter Agreement, effective August 31, 1974. When the owners cut off their financing on that date, the Secretary temoprarily assumed the full cost of construction. The owners also advised the Secretary that though they would not devote any more of their corporate funds to the project, there were conditions under which they would be willing to proceed.

The owners justified this termination action by citing the provision of the 1972 Agreement which made their obligations conditional on the existence of the $16 million loan. As the Loan had been withdrawn, they asserted that they had the right to terminate the 1972 Agreement.

After a period of negotiation, the Secretary requested the Department of Justice to file suit against the owners in an effort to compel performance of the obligations of the 1972 Agreement. The Government lawsuit was filed on September 5, 1974, and a motion for a temporary restraining order forbidding the owners to halt construction work was made the same day. An immediate hearing was held on this motion. The motion was denied and the Government agreed to continue to fund the construction work until a hearing could be held on the Government's motion for a preliminary injunction against the owners. On September 20, 1974, this hearing was held and again the Government's motion was denied, the court holding preliminarily that the owners did have the right to terminate their obligations due to the loan withdrawal. On September 26, 1974, the Secretary halted the temporary funding of construction and work on Project 2 ceased.

Federal funding was used during this brief period in September because it was the only means available to keep the project under construction during negotiations toward settlement of the Amtrak lawsuit. The Secretary considered it the responsible course of action to fund construction work so long as a reasonable possibility of a settlement existed. To let construction come to a halt would probably result in a loss of several millions of dollars in appropriated funds already expended, and in substantially increased construction costs if work were to be recommenced.

The Secretary was concerned as to his legal authority to continue Federal funding even for a short while under these circumstances and, therefore, consulted with the Comptroller General as well as with the Department's Solicitor. The Comptroller General determined that the Secretary was authorized to commit a portion of the $8.68 million appropriated for the Visitor Center to finance the construction.

CONGRESSIONAL HEARINGS

In an attempt to resolve the litigation impasse. the House Public Works Subcommittee on Public Buildings and Grounds, Committee on Public Works, had conducted oversight hearings on September 12, 1974. The following excerpts express the deep concern for the project and summarize the circumstances which led to the predicament at that time:

Mr. SHUSTER. These are the kind of things that need to be nailed down. Somebody comes in here, some phantom and tells us that for X dollars we are going to get 4,000 parking spaces and then the years go by and somehow the people of America end up getting less than one-third of that for twice the cost and these things need to be nailed down.

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Who did it? I want to find out. Who is the bureaucrat or who is the Government contractor that made such outrageous projections? Let us put his name up in neon lights.

Mr. GRAY. My friend from Pennsylvania raises a very important point.

Let me say having sat on both the Visitors Center Advisory Committee and the original author of the bill this estimate of 4,000 parking spaces was made by an architect and engineer and this was back in 1966 and of course you can see a simple escalation of 10 percent for eight years plus the fact it seems every time we try to do something for the public we are always the poor boy.

We started out here with not one nickel of taxpayers' money involved. We are building $2 billion worth of Federal bureaucracy at this time but when it comes to facilities for taxpayers we decide to go private enterprise because the railroads back in 1966 assured us they could come up with all the money.

Well, they procrastinated for four years before a contract was signed and then interest rates went up and they came back four years later and amended that again, so I can tell you exactly how it happened. It was a bad estimate to start with and private enterprise did not come up with the money. They kept telling us we have to wait for this agreement and that agreement and here we are nine years later still trying to amend this thing to please the railroads and the banks.

We probably could have taken $8 million or $10 million and built this facility and had it in use now.

So it is the old American tradition of allowing private enterprise which has not worked very well to the taxpayers in the Nation's Capital and that is why we find ourselves in this dilemma; but I agree with you implicitly . . .

Mr. GRAY. Just one more point on that subject, and we will pass on to something else.

It is the American taxpayer that is paying because the original lease that we negotiated with you in 1968, I pointed out to the gentleman from Pennsylvania, called for a much larger parking facility.

All of the improvements, not the $20 million we are going to have to crank in, but all of the improvements to be made while we have gone and shrunk down in size in the improvements for the public you are still committed, sir, to receive $3.3 million a year for the next twenty-five years, which aggregates more than $82 million the government is committed to pay to you so you paid no penalty for whatever the cause, whether it is Penn Central's bankruptcy, procrastination or what.

You are sitting there as this project goes, and God hopes it does get to go, getting exactly the same amount of money over the next twenty-five years for that property, and we are sitting here getting much less than we would have gotten so it is the poor taxpayers that have been ripped off on this proposition, not the railroads, because they are still sitting there with a $82 million plus lease for a $16 million expenditure that they do not even want to make.

Mr. WATKINS [Vice Chairman of the Board, B&O Railroad.] Sir, the $82 million that you refer to, the $3.5 million was directly at the request of this Committee, that this was the financing that the United States preferred, rather than investing its money initially.

Mr. GRAY. And at that time we did and we wound up with a contract that we are hung with because we now have spent a considerable amount of money.

Otherwise, I can tell you, sir, we would deauthorize that project, forget about Union Station and go down on the Mall someplace with $5 or $10 million, and build a facility we can all be proud of.

You have us where we cannot extricate ourselves without spending several millions of dollars worth of taxpayers' money and that is why we are too far from shore to turn back, and that is the purpose of this hearing.

The cost aspects of the project are further detailed in this extract, from the same hearings:

Mr. GRAY. This project has changed in complexities many times. There have been matters of extenuating circumstances far beyond the control of Congress.

What could we do to keep the Penn Central, for example, from going in bankruptcy?

We had to go through long litany of going through bankruptcy courts.

What could we do about inflation and steel going up 25 percent the last year?

Every single construction project in this country, both private and public, has escalated from 40 to 80 percent during this year.

So I hope the press and others have not picked up that this is a white elephant that is continuing to cost money. Every project in the country has continued to increase in cost due to inflation.

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As I said, the FBI Building started out with $20 million, and it is $128 million now.

We have got a request in here to build $100 million mint out in Denver, Colorado. Every day it is delayed, it is going to cost more money.

When you compare the $20 million, if this bill is approved before us, the eight million before and the 12 million now, if you compare that 20 million, the cost of that entire facility of taxpayers' money is infinitesimal compared to the monies we are spending on short-term.

I am not being critical. In fact, I applaud it.

But we spent $12 million of taxpayers' money out in Spokane, Washington, for a six-month world fair for a visitors center. I saw it a month ago. It has got a beautiful 60-foot high screen and is very good.

But if we can spend $12 million for a six-month show out on the West Coast, for God's sake, we ought to be able to afford $20 million in the Nation's Capitol, so in the Nation's Capitol, for the next 50 or 60 years, school children can find a place to get a hot dog and people can park their cars.

This is absolutely ridiculous to beat this horse at this kind of game.

I wanted to ask the Secretary if he does not agree with me, if these agreements fall through and we stop that project, it will cost us $12 million or more to close the thing up without a facility.

Mr. MORTON. I think it will certainly cost us a great deal of money. I do not think we are bound to the line. You are in the ball park.

Mr. GRAY. It would cost millions to terminate the contract and the public would have nothing?

Mr. MORTON. That is correct. . . . (National Visitor Center Act Amendments: Hearings on H.R. 16615 Before the Subcommittee on Public Buildings and Grounds of the Committee on Public Works, United States House of Representatives, 93rd Cong., 2nd Sess. 52 (1974)).

1974 LETTER AGREEMENT

As of September 26, 1974, the project was halted with the prospect of total termination and abandonment in the near future. Termination costs were estimated to be as high as $20 million, depending on the outcome of protracted litigation. Although the Government lawsuit would continue, the prospects of ultimately prevailing were not good and there was no prospect of prevailing in a time period which would permit the project to be completed by January 1976.

The Department determined that the only means to achieve completion of the project in a timely fashion was to negotiate a settlement with the owners, which would necessarily require a settlement of the Amtrak lawsuit and unconditional reinstatement of the New York bank consortium's loan commitment. The Secretary chose to pursue this three-part effort, essentially consistent with the owners' statement of conditions under which they would proceed, and, consequently, achieved settlement in three separate stages: the October 31, 1974, Letter Agreement with the owners (the "1974 Letter Agreement"); a contemporaneous agreement by Amtrak to withdraw its lawsuit with prejudice; and the Financing Restructuring Agreement of November 22, 1974 (the "Financing Agreement"), all of which culminated in the withdrawal with prejudice of both the Amtrak and the Government lawsuits and reinstatement of the loan on December 18, 1974.

The negotiations which achieved this settlement were long and complex. The final resolution, however, was incorporated into the following provisions of the 1974 Letter Agreement as supplemented by the Financing Agreement, as amended:

(a) The owners would construct in a timely fashion a new railroad passenger station underneath the parking facility pursuant to plans and specifications approved by Amtrak as an adequate replacement rail passenger station.

(b) The owners and the Secretary would split a projected cost overrun of $.85 million on Project 2A occasioned by the delays in the project described above and the Secretary would bear any cost overruns in excess of that amount.

(c) The Secretary would commence "Partial Rent Payments" (the amount of rentals attributable to the amortization of the $16 million loan) at such time as the banks had advanced the full $16 million for project costs.

The critical decision of the Secretary here, at least from the point of view of hindsight, is "b" the cost overrun agreement. Through 1976, that provision is estimated to cost the Government some $1.5 million. The decision was in the public interest not only because it permitted the possibility of completing the project on time, but because the alternative, continuation of the Government lawsuit, held out the prospect of an ultimate financial loss greater than any likely cost overrun on Project 2A, and much greater than the approximately $1.5

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million that the cost overrun decision appears to have cost. At the time of execution of the 1974 Letter Agreement, it was considered that adequate funds, based on the construction costs incurred to date, were available to cover any forseeable cost overrun on Project 2A. Also, the 1974 Letter Agreement, as supplemented by the Financing Agreement, gave the Secretary authority to terminate work on Project 2A at any time it would have been considered prudent to do so because of the availability of funds to cover the obligation.

THE 1974 AMENDMENT

Responding to the shutdown occasioned by the Amtrack lawsuit, and with the objective of getting the project back on track, H.R. 17027 quickly moved through the House and Senate. This legislation, according to the October 3, 1974 House of Representatives Report on the bill, "will put the final capstone on what is needed and necessary to complete the project." The minority views portion of that same report included this comment:

> "Much as we support the objective of a Visitor Center in the Nation's Capital, we cannot support this legislation. The project's evolution from a total private venture to a major Federal responsibility, the drastic scaling down of its scope and escalation of cost suggests that enactment of this bill will represent an open-ended commitment by Congress to a project whose costs far outweigh the benefits."

On the other hand, the urgency of completing and not abandoning the project is reflected in the following excerpts from the debate on the floor of the House of Representatives on October 10, 1974. In response to objections raised about additional funds for the project, Congressman Kenneth J. Gray stated:

> "We have already spent almost $3 million which will be lost forever. The railroads have spent $5 million that will be lost forever. That is $8 million, and it will cost approximately $12 million to restore that historic landmark back to its original use, which means a total of $20 million.
>
> "For $12.9 million, we can have a parking garage, a brand new train station, and a modern orientation center—for $12.9 million instead of the $20 million that it will cost to stop the project."

The urgency of completing the station was reflected in this comment, also by Congressman Gray:

> "I think that if anyone reads the morning Washington Post or last night's Star-News he will see that public opinion is pointing out that it will be a National disgrace if this project is not finished."

and by Congressman Glenn M. Anderson:

> "As stated in an editorial in the Washington Post this morning, it is now or never. And I surely agree with the editorial of this fine newspaper that we need to 'urge the Members of the House to approve the authorization to prevent a costly national embarrassment and to get work resumed on this necessary project.'
>
> "Much work has already been done to assure that the anticipated 40 to 50 million visitors will have an attractive and convenient focal point to provide not only adequate parking facilities and a coordinate for varied transportation system, but also a place to refresh and receive the sufficient information to become oriented to this great city . . .
>
> "I doubt that if we were not to complete this visitors center, that when our visiting constituents come to Washington in less than 2 years and find themselves stranded, without adequate facilities that they will understand or appreciate our dallying—and thereby possibly wasting up to $20 million—just to fill up the hole now existing in the Union Station."

The 1974 Amendment was enacted as Public Law 93–478 on October 26, 1974. The Act made technical amendments to Public Law 90–264, as amended, consistent with the 1974 Agreement which was in process at the time, so that the banks would reinstate the $16 million loan. It also increased Interior's authorization for direct financing by the Government by $12.9 million, primarily for additional traffic circulation ramps around the station and for full renovation of the Visitor Center and construction of interpretive facilities.

The completion of the National Visitor Center had become seemingly irreversible because of (1) the agreements between the Department of the Interior and the railroad owners, (2) a pending Urban Mass Transportation Administration grant of $5.5 million for possible participation in transit-related costs, (3) the impracticality of terminating the construction, which was well underway at the time, and (4) the mandate of Congress through the 1974 Amendment. On

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this latter point, the conversion, not originally conceived as a Bicentennial project, now had, as one of its most potent driving forces toward completion, the desire of Congress to see a tangible product in Washington of sufficient caliber to be a Bicentennial achievement where visitors could be served. So strong was the motivation that when construction had been halted on September 26, 1974, the future plans included prominent mention that decided improvements were needed for the millions of visitors expected in Washington during the Bicentennial. Among the options was the possibility of considering temporary facilities for visitor services.

CONSTRUCTION PROGRESS AND DELAYS

The effects of delays toward completion during this shutdown were not unlike those which occurred previously. For instance, revised cost estimates on conversion of Union Station (Project 1) were delayed for months early in 1975 because full architectural plans were not available. As a result, decisions on the scope of the work had to be delayed. It was also necessary to slip target dates for starting most conversion work as the amount of available funding had not been determined. None of the $12.9 million authorization of 1974 had been made available and the supplemental appropriation process then anticipated would consume at least 90 days before the funds could be obligated. Plans for the parking garage were based on anticipation of the Urban Mass Transportation grant of about $5.5 million to the District of Columbia, but the amount and time of availability were uncertain.

Work on the parking facility, southwest ramp, and the H Street overpass had been substantially stopped since May 1, 1975, due to labor strikes. Work on the southeast ramp was delayed because the UMTA grant was not available.

FUNDING

The strikes were settled by August 1975, enabling a full complement of the construction work force to return to work, and the funding was beginning to match the total project costs of $43,080,000 estimated late in 1974. With the now $16.43 million from the railroad owners and $8.68 million included in the Fiscal Year 1974 appropriation:

(a) $8.5 million of the $12.9 million authorized by the 1974 Amendment was made available from unprogrammed Federal Aid Highway Act Contract funds,

(b) the UMTA grant reached $8.15 million as a result of further negotiations in which additional mass transit elements of the parking garage complex were identified, and

(c) a Federal Highway Administration grant of $1.44 million was made to the D.C. Department of Transportation for construction of a northwest ramp to connect H Street with the parking garage, and, other minor funds brought to over $43 million the total funding availability.

TERMINATION

On May 11, 1976, the George Hyman Construction Company notified the railroad owners that additional funding of $4.9 million was needed to complete the parking garage. If this additional funding requirement was not assured by May 14, Hyman would terminate construction of the garage. At the request of Interior, Hyman agreed to continue working on a week-to-week basis but the projected deficit had risen to $6 million by May 26. As funding was not available. the Secretary suspended construction of the garage on June 3 and sought funding through Amtrak and the Department of Transportation, but continued construction of the ramps and the National Visitor Center. The Center was substantially completed on July 1, 1976.

On July 13, at Interior's request, Hyman submitted a lump-sum fixed price proposal of $28.77 million for the garage, which indicated that the deficit could be $6.4 million for the garage. Obtaining a fixed price for completion of the southeast ramp proved more difficult because of railroad requirements for track availability. Further estimates from Hyman led to termination of the parking garage and produced an estimate of $45.6 million to complete work under the terminations. Congressional concurrence was obtained on September 28, for $3,245,397 of additional Federal Aid Highway Act Contract Authority within the previous $12.9 million authorization to work on the deck and ramp portions of the garage and to close down construction of the parking levels.

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In mid-October, Hyman provided a southeast ramp estimate of $8 million and a total estimate for completion according to the existing terminations on the garage of $49.647 million. A requested southeast ramp termination estimate of $3.2 million led to terminating that portion of the project effective November 15.

Work continues, under the termination orders, to utilize the materials and labor which were already under contract at the time of termination. Some additional work was arranged to assure the safety of the structure and of people who would be working near or passing by the structure. All current activities under the terminated arrangements should be concluded by the spring of 1977.

CURRENT OPERATIONS

The National Visitor Center is operating daily pursuant to provisions of the National Visitor Center Facilities Act of 1968. The Center has served over 600,000 visitors since its opening on July 4, 1976. An audio-visual orientation, theaters, a book store, visitor information, a restaurant, gift shops, language assistance to foreign visitors and assistance to the handicapped are among the services provided.

Visitors arrive at the Center by train, taxicab, metrobus, and subway and private automobile. When the parking garage is completed, it will provide easier access thereby largely fulfilling the National Visitor Center mission.

ADDENDUM TO JANUARY 18, 1977 REPORT TO SENATOR BYRD AND REPRESENTATIVE YATES

On January 14, 1977, in the late stages of the Ford Administration, DOT Secretary Coleman proposed to the President of the Senate legislation which would assign the Union Station lease to DOT. Under the bill, completion of construction would be undertaken by DOT with a portion of the complex to be subleased to the Park Service for operation of the National Visitor Center. The bill was introduced as S. 562 on February 1, 1977.

The Department of the Interior opposed the bill because all forecasts for use of the complex were speculative; the incomplete garage, vital to operation of the Visitor Center, prevented a true test of the Center while Amtrak and Transportation forecasts about rail passenger use could not be verified for years. Interior favored some immediate adjustment of space with an evaluation three years after construction to decide ultimate use of the complex.

In a meeting between Interior Secretary Andrus and Transportation Secretary Adams on April 1, they agreed to the concept of the Department of the Interior completing the project and making additional space available for Transportation use. However, a letter from Secretary Andrus to Secretary Adams on April 6 revealed the need for further understanding on some of the details. Officials of both Departments commenced negotiations on construction details, use of the parking garage, space allocation within Union Station, management of the complex, and lease payments.

When it became evident that Interior efforts would far outweigh results accruing to the Department and to the National Visitor Center, Interior retreated to a position where DOT would assume responsibility and lease a portion of the complex to Interior for operation of a Visitor Center.

In July 1977, Secretary Andrus and Secretary Adams notified Senator Magnuson of their agreement, acknowledging transportation as the proper major use of the complex, granting DOT the lease and subleasing approximately a third of the Union Station building to the Park Service.

Legislation to accomplish the foregoing was prepared by DOT and hearings were held by the House Subcommittee on Public Buildings and Grounds, Public Works and Transportation Committee, beginning on February 22, 1978. Secretary Andrus endorsed the transfer of responsibilities to DOT, specifying that Interior would agree to an annual rental cost of a million dollars or less for the space occupied.

The Subcommittee essentially supported the proposal, H.R. 11207, and recommended additional authorization of $52 million to make structural improvements and complete construction of the complex, except for the surface roadway between the replacement rail station and the concourse. The Subcommittee also endorsed Visitor Center use of the entire main building, including the West wing which, under the April 1977 DOT—Interior agreement was to be for transportation uses.

The full Committee subsequently adopted an amendment to H.R. 11207, providing that the complex be completed as originally planned, with additional authorization of $35.6 million, the Visitor Center occupying the entire building, including the main hall and concourse.

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U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SOLICITOR,
Washington, D.C., December 27, 1976.

To: Secretary.
From: Solicitor.
Subject: National Visitor Center.

This memorandum explains the legal rationale underlying the contracting procedures utilized for the National Visitor Center Project (Project). Several questions have been raised which suggest a possible misconception of the basic contract framework authorized by the laws applicable to the Project.

By way of brief background, the National Visitor Center was authorized by the National Visitor Center Facilities Act of 1968, as amended, 40 U.S.C. § 801, et seq. (the Act). The Act authorized the Washington Terminal Company, its successors or assigns, to alter the Union Station Building to provide adequate facilities for visitors and to construct a parking facility with private funds in consultation with the Secretary of the Interior. The Government was authorized to enter into a rental arrangement for the Project over a period of 25 years with future annual appropriations.

On December 18, 1968, the Department of the Interior entered into a Lease Agreement with the Terminal Realty Baltimore Co. and the Terminal Realty Penn Co. (owners), successors to the Washington Terminal Compnay. That agreement was superseded on March 1, 1972, as a result of the Penn Central bankruptcy. The latter agreement was amended on December 21, 1973, following an amendment to the Act, P.L. 93-62, July 6, 1973, which essentially provided Federal appropriations for the first time for alteration and construction purposes. The agreement was again amended on October 31, 1974, following the second amendment to the Act, P.L. 93-478, October 26, 1974, which increased Federal appropriations for alteration and construction purposes. The Act and the Lease Agreement are more fully discussed in a contemporaneous narrative which considers the policy decisions and circumstances surrounding the construction activities at the National Visitor Center (Narrative).

The principal area of misunderstanding is the applicability of the Federal procurement laws and regulations to the Project. Assertions have been made, for example, that an improper cost-plus-a-percentage-of-cost type of contract was used in the Project. The issue arises in relation to the contract awarded by the owners to the Hyman Construction Company on February 27, 1973.

An improper cost-plus-a-percentage-of-cost type of contract is not involved in this Project. To be improper, those provisions of the Federal procurement laws and regulations which prohibit cost-plus-a-percentage-of-cost contracting in Government procurement contracts would have to apply to the Hyman contract. For reasons which will become clear in light of the discussion which follows, the Hyman contract was a private arrangement and hence the Federal procurement laws and regulations did not apply.

The Act clearly authorized a private project, performed by private owners, initially with private financing only, which would subsequently be reimbursed by the Government through rent payments. Section 102 of the Act provided as follows:

(1) The Company shall agree to make such alterations of the Union Station Building as the Secretary determines necessary to provide adequate facilities for visitors.

* * * * * * * *

(3) The Company, in consultation with the Secretary, shall construct a parking facility, . . . and such facility shall, upon completion, be leased to the United States for a term not to exceed twenty-five years; . . . (40 U.S.C. § 802(a) (1) and (3)).

The Act authorized the Government to negotiate a lease with the owners, but the owners, not the Government, were to perform the alteration and construction work.

Moreover, the specific application of the Davis-Bacon Act (40 U.S.C. § 276a) requirements to the alteration and construction work authorized by the Act indicates that the project was considered to be private construction. The Davis-Bacon Act specifies prevailing wage rates for laborers and mechanics in the construction of public buildings and public works. In any Government construction contract, the Davis-Bacon Act requirements are always included in the general provisions. However, Congress felt it was necessary to specifically apply the Davis-Bacon Act provisions to the alteration and construction activity of the Act since this was not a public building or public work.

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The private nature of the Project is also evident from the legislative history. The following is a dialogue between Senator Hiram L. Fong and William A. Schmidt, Commissioner of Public Buildings Service, General Services Administration (GSA), during Committee Hearings:

Senator FONG. You made reference to the Davis-Bacon Act, and you think that should not be in the bill; is that correct?

Mr. SCHMIDT. I do so, Senator . . .

Senator FONG. This facility actually will be a private facility when it is built?

Mr. SCHMIDT. It will be privately owned, will be owned by the Washington Terminal Company.

Senator FONG. Do you think it is proper that we should have such a restriction in a private facility?

Mr. SCHMIDT. I would recommend against it. If the Davis-Bacon Act is to be applied to leases which the Government enters into for space, then I think it should be handled as a general legislation and not on a specific project basis.

Senator FONG. There is no present law requiring it now; is there?

Mr. SCHMIDT. That is correct. (The National Visitor Center: Hearings on H.R. 12603 Before the Subcommittee on Public Buildings and Grounds of the Committee on Public Works, United States Senate, 90th Cong., 1st Sess. 55 (1967)).

This testimony of Mr. Schmidt of GSA, the agency primarily responsible for the Federal procurement laws and regulations, indicates this is a private project, privately owned, and that compliance with the provisions of the Davis-Bacon Act, a law relating only to public buildings and public works, is not required.

Additionally, § 102(b) of the Act specified that the terms and conditions of the Lease Agreement had to be jointly prescribed by the Administrator of GSA and the Secretary of the Interior. The Administrator and the Secretary prescribed terms and conditions appropriate for a private undertaking. Consequently, they did not require the owners to apply the Federal procurement laws and regulations to the alteration and construction work or to the subcontracts for services during the term of the lease.

The first amendment to the Act authorized the Secretary "to undertake, directly by competitive bidding or, if he deems it to be in the best interest of the United States, *by negotiated contract with the company*, its successors, *agents*, and assigns, such alterations and construction, with regard to the Union Station Building and the adjacent parking facility, as he deems necessary. . . . The Secretary may exercise the authority under this subsection without regard to whether or not *title* to the Union Station Building or the airspace adjacent thereto is in the United States. . . ." [Emphasis added.] 40 U.S.C. § 802(c). The first amendment to the Act also authorized $8,680,000 of appropriated funds for immediate use and the second amendment increased that amount to $21,580,000.

The effect of these amendments was to add current appropriations, in addition to the future rent appropriations, to a private enterprise, when the Secretary negotiated with the owners and/or agents. This is evident in the House Report on the National Visitor Center, accompanying H.R. 17027:

H.R. 17027, as reported, provides certain technical amendments to the National Visitor Center Facilities Act of 1968, as amended, in order to make the law consistent with the present plans for the National Visitor Center . . . additional funds authorized thereby are required to supplement the construction work undertaken by the private owners of Union Station . . . [Emphasis added.] (H.R. Rep. No. 93-1426, 93d Cong., 2d Sess. 1 (1974)).

The Secretary, in his discretion, could have used the funds for direct contracting for alteration and construction. However, this was not considered feasible since, among other reasons, the utilization of more than one contractor on different parts of a project would have been chaotic, and two contractors working on different floors of one parking lot would have been guaranteed disaster. Also, continuity of operations was essential to meeting the Bicentennial deadline. These circumstances were apparent in the statement made to Congress in support of the first amendment to the Act by John Kyl, Assistant Secretary of the Interior, on H.R. 5857:

These funds would be used for construction which the owners will not be able to accomplish under their financing arrangements. For continuity in program administration and efficiency in contracting, the bill specifically authorizes the Secretary to negotiate contracts for the work with the owners or their agents. [Emphasis added.] (S. Rep. No. 93-228, 93d Cong., 1st Sess. 5 (1973)).

In February 1973, prior to the first amendment to the Act, the owners had already awarded a contractor-agent agreement to the Hyman Construction

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Company, and construction work had begun on the parking facility in the spring of 1973. Thus by the time of the first amendment to the Act on July 6, 1973, construction work was in progress under a private contract.

Disruption of existing private contractual arrangements was not feasible in light of the Bicentennial deadline, nor was it required or contemplated by the Act, as amended. It is noteworthy that direct appropriations were authorized to improve property which was privately owned and the provisions in 40 U.S.C. § 255, restricting such improvements of private property, were waived by this amendment. Congress thereby specifically authorized the improvement of private property with Federal funds.

There are other aspects of this legislation, in addition to the issues already discussed, which show that Congress intended that the Secretary interpret the Act broadly in favor of continuity of the project. For example, section 107 of the Act provides that "[a]ll existing laws or parts of laws inconsistent with the provisions of this chapter are hereby repealed to the extent to which they are so inconsistent . . ." 40 U.S.C. § 806. When it was apparent that the project would not continue in 1974 unless rent payments could legally be paid after all private funds were expended, Congress amended the Act to allow rent payment before the project would be available for public use. At the same time Congress deleted language from the original Act because the actual parking plan did not reflect the original plan in the Act.

The above discussion demonstrates that the Federal procurement laws and regulations are inapplicable to the Hyman contract. The provisions of the Act and its legislative history unequivocally contemplated a private contract for a unique construction project. The Federal Procurement Regulations (FPR), which set forth in great detail the requirements of the Federal Property and Administrative Service Act of 1949, as amended, 40 U.S.C. § 471, et seq., do not apply to a private contractual relationship.

It is also apparent from the FPR itself that its provisions did not apply to the contracts awarded by the owners. The FPR applies to leases of real property only to the extent explicitly stated in the specific FPR provisions. FPR 1–1.004–1. The Lease Agreement between the United States and the owners did follow the FPR as to the terms and conditions of the lease form, because FPR 1–16 prescribes a standard form for the lease of real property. There are no restrictions in this form against cost-plus-a-percentage-of-cost contracting or fee limitations, and the like, although certain policies are applied to subcontracts.

Thus, the March 1, 1972 Lease Agreement, in paragraph 3.e., required onlyf ɔh following for the alteration and construction work to be contracted for by eth owners:

(e) The alterations and construction referred to in subparagraphs a. and b. o4 paragraph 1 shall be performed under contracts which conform to the provisions of Paragraphs 9, 10,12, 13 and 14 of the lease, Exhibit "B-Revised" hereto.

These paragraphs are, respectively, convenant against contingent fees for soliciting, members of Congress not to benefit, equal opportunity, nonsegregated facilities and examination of records by the Comptroller General. This is also consistent with the standard practice of GSA when entering into leases for real property. The GSA uses the same form for leasing that we used for the National Visitor Center and does not use the standard requirements applicable to Government construction. GSA does not concern itself with the terms and conditions of the lessor's construction contract.

Furthermore, FPR 1–3.401(b), which prohibits cost-plus-a-percentage-of-cost contracting and prescribes fee limitations, is not explicityly applied to leases. Also, FPR 1–3.401(b) provides that "all prime contracts (including letter contracts) on other than a fixed-price basis, shall by an appropriate clause prohibit cost-plus-a-percentage-of-cost subcontracts." [Emphasis added.] No such clause was required for subcontracts in the Standard Form for Lease of Real Property in FPR 1–16, although such a clause is provided in appropriate circumstances. See, for example, FPR 1–7.202–8, applicable to cost-reimbursement type supply contracts and FPR 1–7.402–8, applicable to cost-reimbursement type research and development contracts.

Moreover, Congress was aware of the Government's interpretation of the Act. The House Public Works Subcommittee on Public Buildings and Grounds was fully apprised of the Government's day-to-day activities regarding the project. The project was frequently debated before the Committees and on the floor of the Congress. This is apparent from the following discussions on the floor of the House on October 10, 1974:

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If we go back in here and fill up the hole, as the gentleman from Iowa stated, we will have to knock out all those concrete and steel pilings. We were right in the middle of this project and were stopped by Amtrack's lawsuit. It is not the fault of this Congress. We found ourselves between a rock and a hard place. The only thing we can do to resolve this dilemma is furnish this authorization . . . .

Mr. SMITH of New York. Mr. Chairman, I want to ask if the U.S. Treasury can recover the money on the original agreement after the lawsuits are settled?

Mr. GRAY. That is a very good legal question. I have checked with our committee counsel and he feels we have a legal bona fide contract between the Department of the Interior and the railroads to make these improvements . . . . [Emphasis added.] (120 Cong. Rec. H10373 (daily ed. October 10, 1974) (remarks of Reps. Gray and Smith)).

Finally, although the Government was not required to follow the FPR applicable to Government construction contracting, it did in fact apply the essential FPR principles to the maximum extent possible, for sound business reasons, when current appropriations were added to the project. For example, fees on subcontract work by Hyman were limited to 10 percent of target cost, the contractor-agent fee was fixed to an estimated cost, and competitive fixed-price subcontracting was required, except when Hyman performed subcontracting work with its own forces, which required specific justification, written approval, and incentive contracts. In the first amendment to the Lease Agreement, the FPR cost principles were even applied retroactively to the construction work which the owners were performing with private financing.

Another issue which has been indirectly raised with respect to the Project is the so-called "open-ended" provision of the second amendment to the Lease Agreement whereby the Secretary agreed to pay in part cost overruns applicable to section 2A of the Project. It has been asserted that this obligation is illegal because of its alleged open-ended character. Also, the Secretary's judgment in agreeing to such a provision has been questioned. On the latter issue, as described in the above-referenced "Narrative," we note that there was ample justification for agreeing to the provision, namely the possible loss of a $20 million investment if the Project was not reestablished.

From a legal standpoint, the provision cannot be considered as a violation of 31 U.S.C. § 665(a) or 41 U.S.C. § 11, the applicable statutes, both of which forbid the Government from entering into contracts for which appropriated funds are not available. As a matter of law, a cost ceiling is read into all Government contracts which are subject to a specific, "not to exceed" authorization and appropriation, as with the Act, and the Government is not liable in excess of such cost ceiling. *Curtis* v. *U.S.*, 2 Ct. Cl. 144 (1886); *Shipman* v. *U.S.*, 18 Ct. Cl. 138 (1883); 40 Comp. Gen. 608 (1961). Therefore, by law there could be no fund deficiency for which the Government would be liable.

In the *Curtis* case, *supra*, at page 150, the court quoted from pertinent legislation as follows: That before the Secretary of the Treasury shall procure or erect the buildings provided for in the second section of this Act, or commence operations under any of the provisions of the same, at San Francisco, State of California, it shall first be his duty to make a contract or contracts for the erection of said buildings, and procuring the machinery necessary for the operation of said unit, at a sum or sums which shall not, in the whole, exceed the sum of $300,000.

At pages 151 and 152, the court explained the legal effect of this provision, as follows: The proviso in this statute was not an appropriation, but a condition or limitation. It says, in effect: "The cost of the branch unit in California, with all its appurtenances and apparatus, shall not exceed $300,000; and if it should the Government shall not be liable for the excess." To all intents and purposes the Government wrote this limitation upon the face of the contract . . . The statute became to the claimant notice in law and in fact that the expenditures could not be carried beyond certain limits . . .

The Visitor Center Act placed a similar limitation in both the first and second amendments, which provided that "not to exceed $21,590,000 of the funds authorized to be appropriated in section 109 shall be available to the Secretary to carry out the provisions of this subsection." The provisions of this subsection provided for a negotiated contract with the owners and agents.

The legislative history of these amendments further explains the clear intent to limit the contract authority. For example, the Senate Report on the first amendment stated: . . . the bill specifically authorizes the Secretary to negotiate contracts for the work with the owners or their agents. The authority of the Secretary under the amendment is limited to not more than $8,680,000. (S. Re.p No. 93–228, 93d Cong., 1st Sess. 5 (1973).)

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The House Report on the second amendment provided: Second, H.R. 17027, as reported, increases the ceiling on authorization for the National Visitor Center from $8.68 million to $21.58 million. (H.R. Rep. No. 93–1426, 93d Cong., 2d Sess. 1 (1974)).

Not only did the authorizing statute contain a specific limitation of funds, but the second amendment to the Act, P.L. 93–478, was specifically referenced in the second amendment to the Lease Agreement. The Hyman Agreement with the owners was expressly subject to the Lease Agreement of March 1, 1972. Therefore, Hyman had actual as well as legal notice of this limitation.

Since the fund limitation was legally a part of the Agreements involved, there was no unauthorized obligation proscribed by 31 U.S.C. § 665(a) and 41 U.S.C. § 11.

For these reasons, we do not consider that the subject cost overrun provision can be described as illegal, although, as a general matter, of course, it is prudent to specifically include cost ceilings in all contracts when feasible.

We trust this clarifies the legal issues involved.

H. GREGORY AUSTIN.

Senator LONG. Well, I would just ask you: don't you think that we would provide a better service to the general public for its money if we provided a point where all the buses come together so that no matter what bus you come to town on, if you want to leave on a different bus you can get on it in one spot?

For example, it may be that persons coming from a point where it is only served by bus and going to a point served by bus, and not the same bus—Trailways comes in and then you want to come in on Trailways and leave on the Greyhound. Wouldn't it serve a purpose if there was one point where they could come together from which you could reach all other points?

Mr. MEIEROTTO. Yes. Well, we feel it is ideally suited as a transportation facility.

Senator LONG. What about an interchange point—that is what I have in mind—where you could change to wherever you want to get to. I think that has the potential of bringing all the buses together at one point.

So if you are in town and don't have an automobile, if you can get on a bus of any kind, just one of the ordinary Metro buses on the street, or just any bus, if you get to any bus it will get to a point which you can transfer to anything else, including direct connections with National Airport. So if you can get there, you can get any other place.

My understanding is that the buses work in about that fashion in Brazil, for example. I am told in Rio it works about that way.

Are you familiar with that? All of them come together at one place.

Mr. SULLIVAN. I am not, no, sir. But I agree with you that it is a logical place to bring intercity buses.

As we have stated, we do not intend to preclude their being there. We just felt that the condition of the building and the fact of the ongoing Northeast corridor project made it urgent for us to address the rail problem first.

Senator LONG. Well, there is no reason why if we decide to go forward—and I think—I don't think we ought to put another nickel into it if all we are going to do is let the fool thing fall down.

If we are going to put anything into it at all, it seems we ought to be imaginative enough to make a plan that would give the public the best use of that facility.

If that is the case, I should think that we would say let's bring all the facilities together.

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Does your information indicate that the buslines would be interested in bringing their buses up to this point?

Mr. SULLIVAN. Yes, sir, they are interested.

Senator LONG. I believe you have some charts or maybe they have charts. Do either of you have charts to explain how the bus proposal might work?

Mr. SULLIVAN. Yes, sir, I would like Mr. Kivett to show you those, if I may.

Senator LONG. Would you, please. Why don't you put it over here. That way the audience can see it as well as the Senators. Just put it over here on the side.

Mr. KIVETT. As a result of your letter to the Secretary about 1 week ago and using studies by the Department regarding the intercity bus question at Union Station, we looked briefly, preliminarily, at five alternatives. One of these was, as requested in your letter, the use of the existing transit deck, which is built and today is used by local buses. We could accommodate approximately 27 intercity buses in that scheme for a cost of $9 to $12 million, due to additional terminal costs and structural costs, with a link directly to the old building. We would then have to relocate all the local buses that are on the transit deck there today back to Columbus Plaza. But this does demonstrate what you could accommodate in that situation.

Senator LONG. So you could come in on the local buses in the front and then take the intercity buses and you would have to then move your bags from—to the area?

Mr. KIVETT. From Columbus Plaza all the way back and up about three levels to the bus dock level.

Senator LONG. Well, now, could you put some kind of a belt or something there where people would just put their bags on a conveyor belt and let it convey their baggage up to the other end?

Mr. KIVETT. Yes, sir, it is totally feasible. In fact, we are doing a similar thing to get rail passenger bags from Columbus Plaza to the long-haul tracks for trains to Florida and Montreal. It is technically feasible to transport the bags to the elevated bus dock terminal.

Senator LONG. In other words, it is always my experience that you can always get plenty of help if you have a lot of baggage. A woman comes in, she has five children and a whole bunch of baggage and there is always plenty of help except at the time you need it the most and then, for some reason, there is nothing there and you are in terrible shape.

If you could have a conveyor belt where anybody could put all the bags, if you have eight bags or 10 bags for that family, put all the bags on that conveyor belt and the belt take it on through to where she wants to go, she would be in pretty good shape.

Mr. KIVETT. Yes, sir. There are a couple other aspects to this scheme. For one thing, we would be using a considerable amount of the rail space which is required for the corridor to serve the intercity bus patronage.

We have some other schemes which we think accommodate demand a bit better and would not have all the local buses at the front door, which is very important to the District of Columbia.

Mr. SULLIVAN. I think, Mr. Chairman, that plan would accommodate 27 bus docks. I think you would want to know the comparison between each of the alternatives.

Senator LONG. Right.

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Mr. KIVETT. All the other alternatives incrementally provide more buses. Block 720, to the east of the historic building (part of the Greyhound plan) accommodates 40 to 50 bus docks, which is what we think is required. A second scheme proposes an extension of the existing transit deck toward H Street over the stub end tracks. You would get 37 bus docks, again not quite a full program. This would involve a $16 to $20 million cost because you are building an entire new structure over the tracks, which is very costly.

A third scheme, which was studied by the Department a couple of years ago, would place the bus docks over the through tracks, very high in the air. It is estimated to cost $23 to $27 million. Again, no land acquisition would be required. You get about 50 buses. We need to use some space in the historic building concourse. There are rather high costs to build a bus deck over the live railroad.

Senator LONG. But if you want to pay the money, wouldn't that have advantages over the others? If you felt like paying the money for it?

Mr. KIVETT. With regard to the intermodality and joint use of facilities between rail and bus, this scheme has the most direct relationship functionally with the rail and subway and local bus and visitors center functions, although the cost tends to be somewhat higher. There is no land acquisition. The air rights are currently in the Government's hands under the lease arrangements with the railroads.

Then we come to scheme four which was submitted by Greyhound earlier in May, at the Senate Public Works hearings, which is taking a triangle of land which exists today. The terminal would be at a considerably lower level, about 20 feet immediately east of the existing station complex.

Senator LONG. That is ground level now?

Mr. KIVETT. Ground level, not over any live railroad, so-called block 720.

There are 35 bus docks provided in the Greyhound scheme with ready buses and package express, and a link by escalator and moving walk from the bus terminal to the rail terminal. The front door of the bus terminal would be on F Street. It would not be at Columbus Plaza. If you were going by Metro you would have a connection to the bus terminal although not quite as direct a relationship as if the bus docks were over the tracks.

We think one difficulty with this scheme is that all of the intercity buses would be using residential streets—Second Street is residential as is F Street. They would use local streets rather than the H Street overpass that has a direct connection to the I–95 tunnel, which was one of the reasons why that very elaborate roadway was built. Scheme five is a variation of the Greyhound plan which would use what would be the roof of the terminal for bus parking. This is done quite often out West—Phoenix, Kansas City, for example. You park on the roof and the terminal is below. Then you can use H Street for the vehicular access, eliminate the problem of the buses being on the local streets, and have that same pedestrian connection from the historic building.

Senator LONG. What level would they load the buses?

Mr. KIVETT. In this case the buses are at a level about 10 or 12 feet above the existing level of the railroad station. The bus docks are about 30 feet above the terminal itself, where the people are,

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which is at ground level. But that is a different ground level than the main level of the rail station due to a large slope downward from Columbus Plaza to F Street.

Senator LONG. In due course, I think I will ask you to go over there with me and take these charts and show me just exactly how they work. We can't do it this morning, but at a convenient time I think we ought to do that so we can just see it right on the site and understand it better.

Mr. KIVETT. Yes, sir.

Regarding costs, we estimate the Greyhound plan to be $15 to $20 million, counting a $3 to $5 million land acquisition cost. That land is not under control of the Government. It is owned by the Washington Terminal Co., which is half Chessie and half Amtrak. It is a rather valuable piece of real estate.

In the scheme with buses on the roof, the cost would be about $20 to $25 million.

Senator LONG. Doesn't that have a potential for Amtrak's advantage, and that is that the buses could bring people up to this point from which point they could board those trains?

Mr. KIVETT. Yes, sir. And vice versa, particularly for the feeder services—Annapolis, Harpers Ferry, Richmond, Charlottesville—where the intercity bus carriers are really providing that connecting service.

Senator LONG. Yes.

Mr. KIVETT. The intermodality and connectivity and interchange where we are feasible. We have demonstrated that we could physically do it for a range of costs, and I think those were your questions.

Senator LONG. Right. Thank you.

Mr. SULLIVAN. Yes, sir.

Senator LONG. I think those charts are very useful and we ought to include that in the record.

[The material referred to follows:]

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WASHINGTON UNION STATION, INTERCITY BUS FACILITIES CONCEPTUAL STUDIES, JUNE 8, 1978—U.S. DEPARTMENT OF TRANSPORTATION, FEDERAL RAILROAD ADMINISTRATION

AREA SUMMARY

	1. Transit Deck		2. Expanded Transit Deck		3. Task 14		4. Greyhound		5. Block 720 Elevated	
	Interior	Bus Area	Interior	Bus Area	Interior	Bus Area	Interior	Bus Area	Interior	Bus Area
Ticketing/Baggage	9,600		9,600		28,450		9,600		14,550	
Waiting/Circulation/Gate Control	40,900		40,900		32,650		40,900		43,900	
Link	10,200		10,200		1,900		5,000		5,000	
Public Facilities/Concessions	10,700		10,700		5,400		10,700		10,700	
Administration/Support	27,550		27,550		20,950		27,550		27,550	
Platforms		8,000		13,100		13,650		7,650		12,300
Bus Operations - Docks & Circulation		97,400		137,900		100,550		69,900		133,700
	98,950	105,400	98,950	151,000	99,350	114,200	93,750	77,550	101,700.	146,000
No. of Bus Docks		27		37		49		35		53
No. of Ready Buses		5		6		16		15		23
Package Express							12,400	25,400	12,400	25,400
No. of Parking Spaces								44		44

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WASHINGTON UNION STATION
PROJECTED PASSENGER VOLUMES, INTERMODAL TERMINAL
TWO-WAY TRIPS BY INTERCITY BUS

June 8, 1978

	Existing[1]	1982[2]	1990[2]
Annual	2,890,000	3,470,000	4,430,000
Design Day	13,400	16,100	20,500
Design Hour	2,000	2,400	3,100

1. Information on existing intercity bus patronage was obtained from representatives of Greyhound Lines, Inc. and Trailways, Inc. on June 5, 1978.

2. Information from Task 14.

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ACCOMMODATION OF INTERCITY BUSES - COMPARATIVE ANALYSIS

Washington Union Station
June 8, 1978

	Evaluation Factors	1 Existing Transit Deck Plan	2 Expanded Transit Deck Plan	3 Task 14 Plan Fall 1976 Air Rights Deck Over Thru Tracks	4 Greyhound Plan May 1978 Block 720 - Ground Level Development	5 Block 720 Plan Elevated Bus Dock
1.	Design Construction Costs (Construction Start January, 1979)	$ 9 - 12 M	$ 16 - 20 M	$ 23 - 27 M	$ 12 - 15 M	$ 16 - 20 M
2.	Land Acquisition Costs	None	None	None	$ 3 - 5 M	$ 3 - 5 M
3.	Project Cost	$ 9 - 12 M	$ 16 - 20 M	$ 23 - 27 M	$ 15 - 20 M	$ 19 - 25 M
4.	Square Footage/Space Requirements	215,000 SF	215,000 SF	215,000 SF	215,000 SF	215,000 SF
5.	Number of Bus Docks	27	37	49	35	53
6.	Number of Ready Buses	5	6	16	15	23
7.	Functional Relationships/Passenger Flow	Severe Conflict with Rail Patrons	Severe Conflict with Rail Patrons	Direct Link	Indirect Link	Indirect Link
8.	Package Express	None Provided	Minimal	Satisfactory	Full Accommodation	Full Accommodation
9.	Intercity Bus Impact on Local Street Systems	None	None	None	Severe Negative Impact on Residential Streets	None
10.	Impact on Local Metro Bus Operations	Displaces All Local Buses to Columbus Plaza-Requires Buy Out of UMTA Grant (± $8M)	Displaces All Local Buses to Columbus Plaza-Requires Buy Out of UMTA Grant (± $8M)	Transit Deck Remains in Full Operation	Transit Deck Remains in Full Operation	Transit Deck Remains in Full Operation
11.	Intermodality/Joint Use Facilities	Satisfactory	Satisfactory	Maximized Integration	Weak Connection	Weak Connection
12.	Impact on Rail Facilities and National Visitor Center	Reduces Rail Areas by More Than 50% or Requires Further Reduction in Visitor Center	Reduces Rail Areas by More Than 50% or Requires Further Reduction in Visitor Center	Reduces Rail Areas by More Than 50% or Requires Further Reduction in Visitor Center	Minimal	Minimal
13.	Institutional Complexities	Displacement of Metro Bus - Buy Out of UMTA Grant	Displacement of Metro Bus - Buy Out of UMTA Grant	Minimal	Land Acquisition and Environmental Impacts	Land Acquisition and Environmental Impacts

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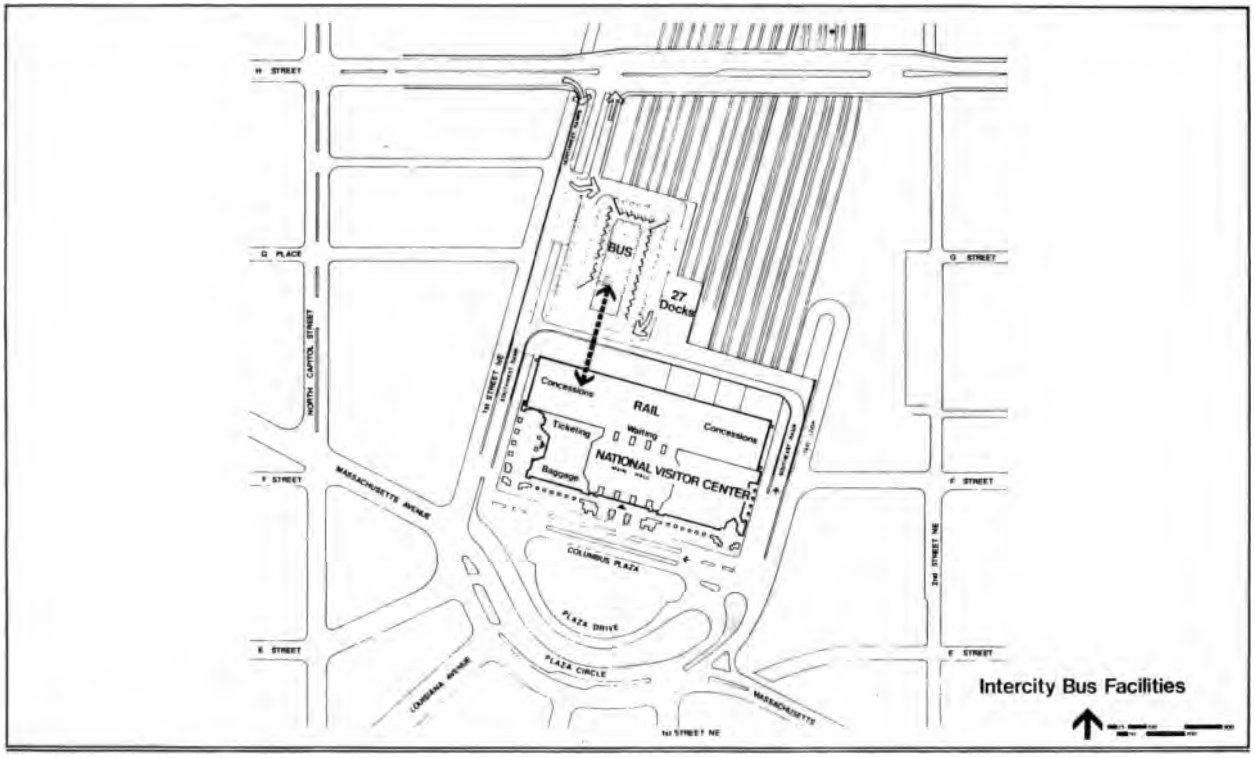

U.S. DEPARTMENT OF TRANSPORTATION
Federal Railroad Administration

Washington Union Station 1
Transit Deck Plan

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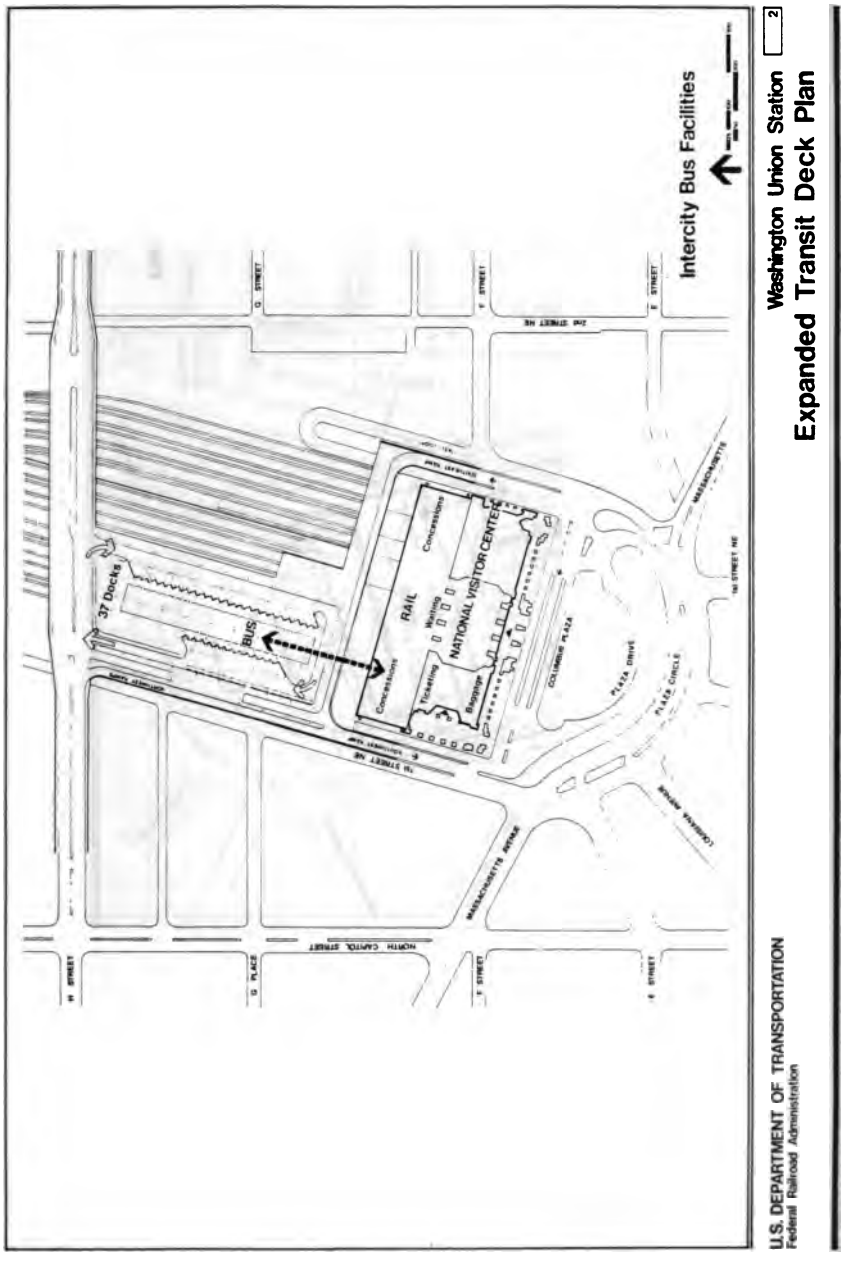

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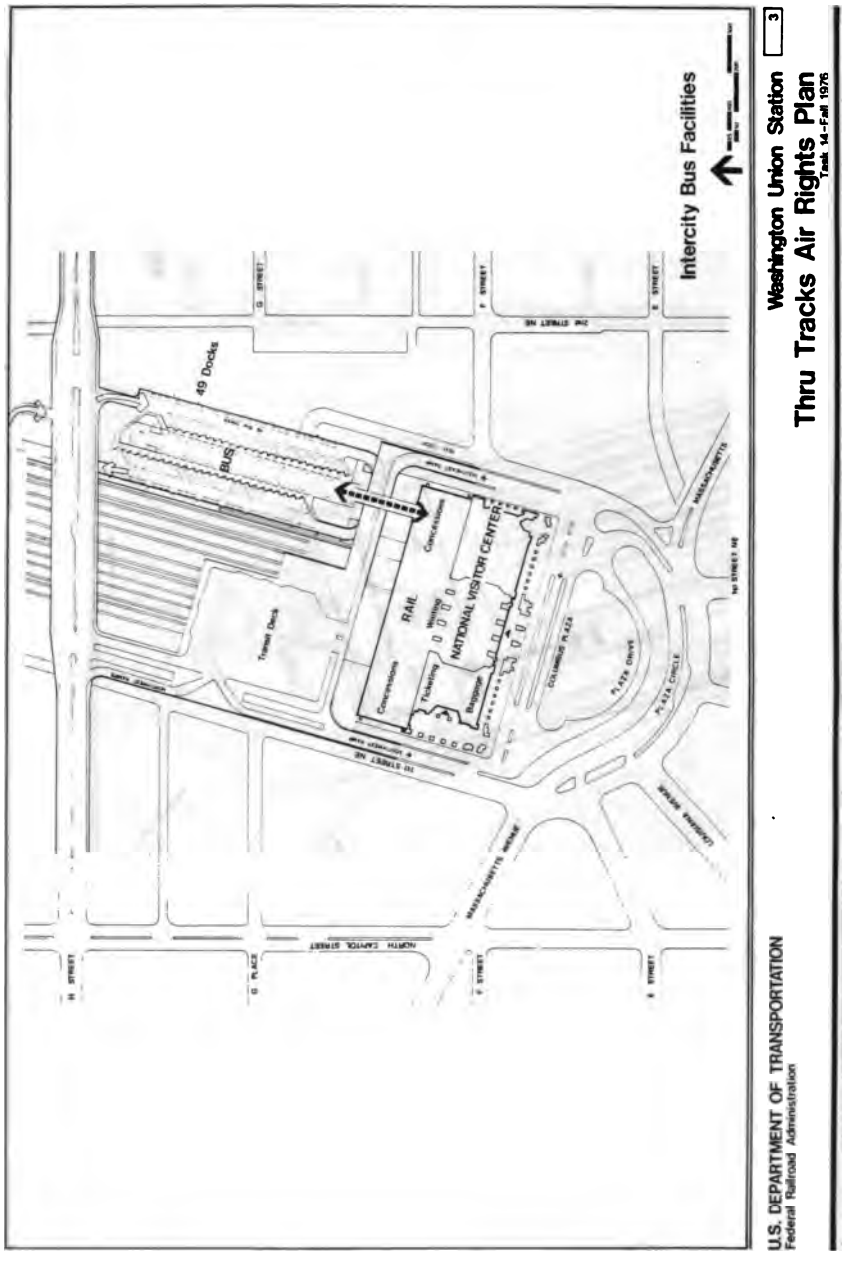

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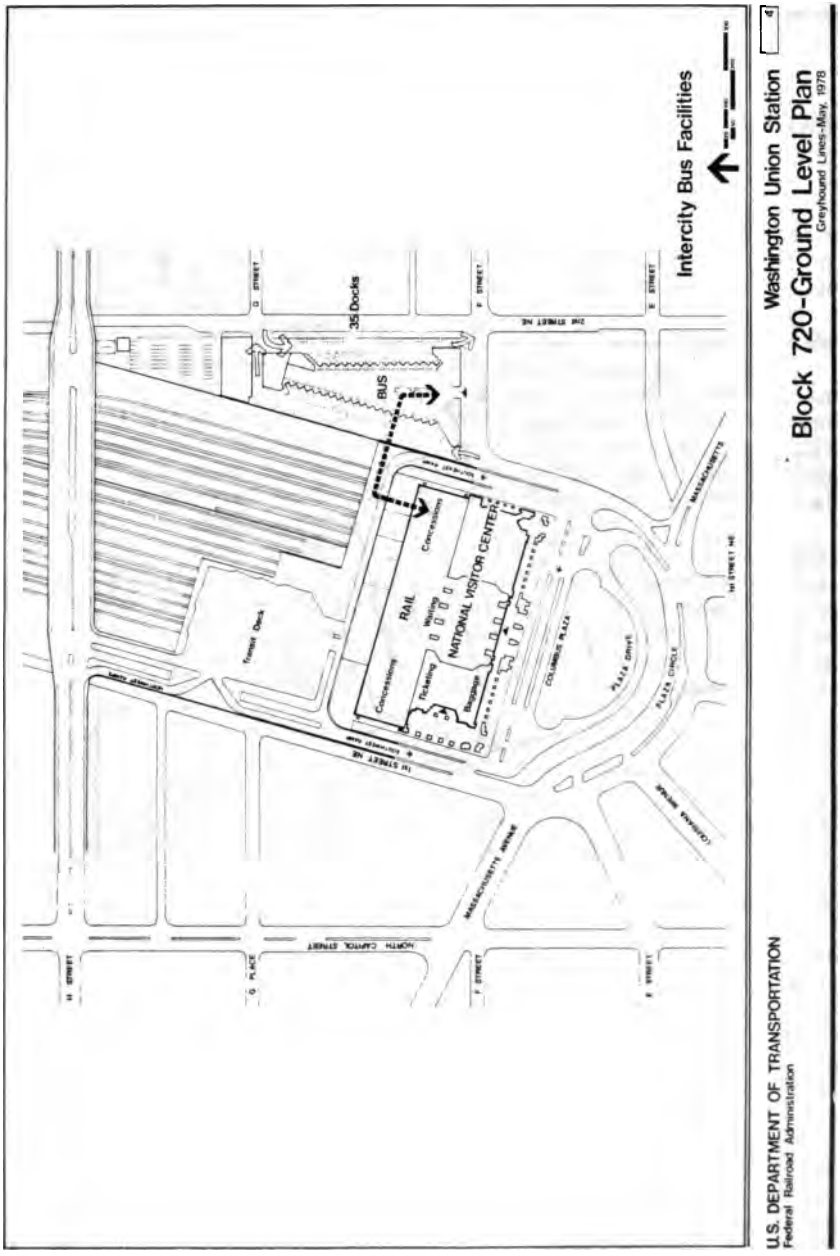

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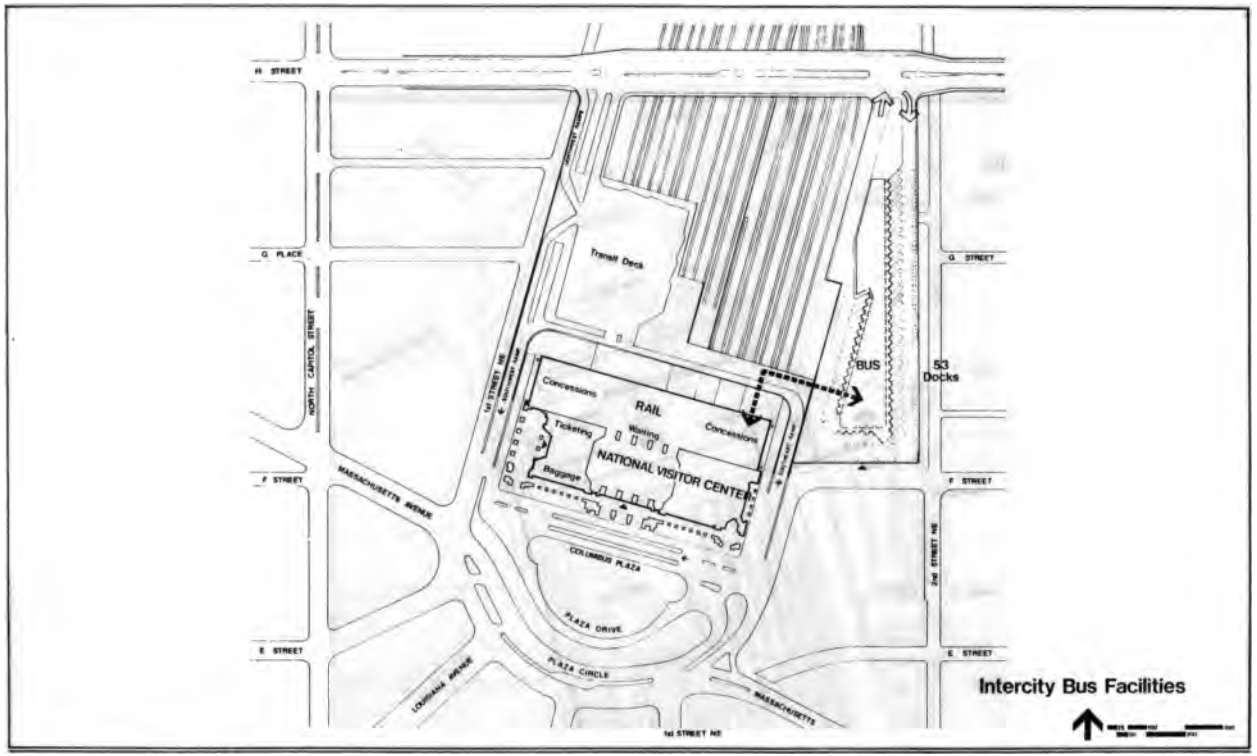

U.S. DEPARTMENT OF TRANSPORTATION
Federal Railroad Administration

Washington Union Station 5

Block 720 Elevated Plan

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Senator LONG. Next we will call Mr. Douglas M. Schneider, Director of the Department of Transportation of the District of Columbia.

Mr. CLARK. I am here to represent Mr. Schneider.

STATEMENT OF JAMES CLARK, ASSISTANT DIRECTOR, DEPARTMENT OF TRANSPORTATION, WASHINGTON, D.C.

Senator LONG. Would you identify yourself for the record.

Mr. CLARK. Mr. Chairman, my name is James Clark, Assistant Director of the District of Columbia Department of Transportation. I am here to represent Mr. Schneider, who is away on another transportation matter this morning.

If you please, sir, I would like to very, very briefly synopsize the statement that has been provided to the subcommittee.

We in the city have long supported the idea of a multimodal terminal at Union Station. We have got a multimodal terminal there now of sorts, as you mentioned in your opening remarks. It is now possible to go from National Airport via Metro to Union Station, and one can transfer to the Metro right there now, or to Amtrak service, or to Southern service.

We do have some multimodal aspects at Union Station already, and we think that this is very fine. The problem we face now is that the city has gone forward with its roadway improvements, namely, out in front of the station at Columbus Circle, and also on H Street behind the station. Those improvements were designed to work in conjunction with a finished Union Station, a parking garage and bus terminal for Metro buses.

Unless the Union Station project is finished, Mr. Chairman, as it was proposed to be finished, those roadways just simply cannot function as they were designed. For that reason, the city is in concert with DOT in supporting the Senate bill for completion of the project.

We think it is in the public interest. Not only is it a unique project, but it is a very unique public service—a place where people in this region can go and know that they can choose from any number of transportation services, as well as local taxis.

Senator LONG. Let's not make the mistake that we made out there at National Airport. With a little planning you could have had it work out so you could get on the subway, Metro, make a quick trip out to National Airport. With a little planning you could have taken your bag on the subway and taken your bag off the subway, it's elevated by the time it gets out there, and you could have gone right aboard the airplane with it.

Now, instead, the thing goes past about 20 feet in the air, and there is no way to get up and no way to get down. You need 7-league boots in order to get from the National Airport to get on the airplane.

Why didn't somebody think about that? The airplanes are about 50 feet below the subway. So from the airplane you get a worm's eye view of the subway.

Apparently, no one ever thought about that. So if the plan is no good—we ought to think about what it would take to make it meet the needs of the future, rather than the needs of the past, or some concept that it would seem like a good idea, but didn't work.

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In other words, if you are going to do something, spend the money, why not—well, to coin a phrase: Why not the best? Why build something less than that?

Mr. CLARK. We think the opportunity is here. There is a plan, and the city has gone forward with this part of the plan. I think it is a money problem at the moment. I am not exactly sure why the money problems occurred, but at least there is a plan, and the basic elements of the plan are already in place.

It is for that reason we think the project should be finished as expressed in the Senate bill.

Senator LONG. I suppose we could improve on the plan. Suppose we could improve on it? You don't think we ought to think about doing something better? The way it stands now, it is about half finished. And as I understand it, it is a white elephant. What's wrong with seeing how we could improve on it while we are looking at it?

Mr. CLARK. Not a thing, Mr. Chairman. Not a thing wrong with it. As a matter of fact, we would wholeheartedly agree with you that bringing into this terminal intercity bus service will make it complete. That will then bring virtually every ground transportation mode into that site, and we heartily endorse that.

If I might, I would like to offer you, for your information and, hopefully, advice, the results of a review that we made.

Senator LONG. Yes, sir.

Mr. CLARK. On some proposals that were brought to our attention, I think through this committee.

Senator LONG. Right. Would you, please.

Mr. CLARK. The city has contemplated, as many people have contemplated, a bus terminal in the air space over the railroad tracks behind Union Station. As a matter of fact, that is the reason we made H Street an elevated roadway; so that there would be a way for buses and other vehicles to get from our city street system into this multimodal terminal.

Now, I appreciate, and we do it ourselves, and I think it is very proper, to look for the most economical solution to a problem is very proper. The proposal we have recently seen, which suggests that perhaps a bus terminal could be located not over the railroad tracks, but to the east of the station on railroad property. We have looked at that. There are several, we think, major defects with that notwithstanding the fact that it is probably cheaper.

Senator LONG. You are talking about building a building on the side?

Mr. CLARK. Yes, sir. One of the things that should be of very great concern to the committee that we seriously do not believe that that site can be adequately served by our street system. That is to say, we don't think we could get buses to that site adequately without doing some things that would do great harm to our residential neighborhood to the east, or would require a great change in the Columbus Plaza area in front of the circle, in front of the station.

Let me elaborate on that.

Senator LONG. Sure.

Mr. CLARK. The site is on Second Street Northeast, and F Streets, the intersection of F and Second Northeast.

For buses to get to that site, they either have to come in on Second or on F. If it came out on Second, buses would, by definition, have to go through residential neighborhoods. F Street is only—Second

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Street is only 31-feet wide. It has got parking on both sides. There are private homes, interestingly enough, private homes that are now being remodeled and upgraded. There is an elementary school right across from that site. That subtraffic would be a considerable change in the character and functioning of streets in the area.

We really could not support that because one of our basic tenents all along has been we can have this intermodal terminal and we can also have our residential neighborhood.

But, if we try to put the one on top of the other, there is going to be just awfully staggering effects on another area of the city we want to protect.

Someone might say why not bring all the buses in from Columbus Plaza? Well, that we think is virtually impossible. Columbus Plaza has been designed so that taxicabs and private automobiles and Metro buses can come into the front of Union Station. It hasn't been designed for this additional traffic, private automobiles that would be carrying passengers that wanted to go to an intercity bus terminal, plus the intercity buses themselves. There just plain is not space. Particularly if you consider, Senator, persons having to make left turns off Massachusetts Avenue. As you know, left turns are difficult enough to make, and we are going to be just getting every ounce of capacity out of the left-turning slots we have there now.

If we try to get any more out of it, it's going to fail.

The other thing that is disturbing is that H Street—here there is investment that has been put into that viaduct. And it is there to serve this very function. It would be a way for buses to come in from New York Avenue and North Capitol Street, and our I–395 streets that are actually designed to function as heavy traffic carriers.

For that reason——

Senator LONG. If I might interrupt you for a moment.

Mr. CLARK. Yes, sir.

Senator LONG. That is not the elevated proposal there. Would you put the elevated proposal back up? Now this elevated proposal would contemplate the buses coming in off that elevated highway, and would then use the elevated deck and they would go back out. And I presume go back on to the elevated highway.

Now, wouldn't that tend to solve the problem that you are speaking of now?

Mr. CLARK. Yes, it would tend to solve the problem, particularly the the traffic circulation problem.

Senator LONG. In other words, you would have to elevate the passenger a little higher, but I take it you would build an escalator, or something, in there so when they get on it they would just go on up an extra 20 feet, perhaps, and then they are at the point where they board the buses? And the buses could then get in and get out on a limited access highway, couldn't they?

Mr. CLARK. Yes, they could.

Senator LONG. Yes, sir.

Mr. CLARK. May I just offer a couple of conditional remarks about that?

Senator LONG. Yes.

Mr. CLARK. The precise way that has been drawn, I think, our traffic safety engineers would have to say that is not exactly the way to do it. The notion is good. The notion is to elevate the bus terminal, have

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buses come in from H Street. The precise way those ramps are shown, we feel are not proper. They probably could be redesigned to be proper. But I just wanted to——

Senator LONG. Don't say "probably." It seems to me as though it either can be done or can't be done.

You are suggesting there that, I take it, the traffic coming in would cross the traffic coming out?

Mr. CLARK. A little too close spacing; that is correct.

Senator LONG. But I would assume that you have in mind that it wouldn't take much doing to modify that so that the safety objections could be removed?

Mr. CLARK. That is correct. That is correct.

Senator LONG. So it is not a matter of saying it probably could be done? The fact is it could be done?

Mr. CLARK. Our best judgment is that it could be done.

Senator LONG. Yes, sir, that is what I think.

Mr. CLARK. Yes, sir.

Senator LONG. It seems to me that nothing is perfect, but I can see the problem, and I can also see what the potential is just from that chart there, to relieve it.

You would broaden the spacing between the incoming ramp and the outgoing ramp?

Mr. CLARK. That is bascially the objections we have. That would be the solution. I just want to remind the Chairman that particular proposal, of course, it is still in very close relationship to our residential area. And it obviously is desirable to get that kind of use as far from a residential use as possible, just simply because it is going to be bulk. And when you live across the street from something that is big and bulky, and maybe not too attractive, it tends to devalue a residential neighborhood. So it still has that potential adverse effect.

Senator LONG. But at one point or another we ought to think in terms of who benefits and who pays. And if the people across the street are injured by the fact that the view is not as good out the front window, then perhaps we ought to pay them something for it.

If you think in terms of something that is going to benefit millions, and it is going to be an eyesore, or at least objectionable to 200 or 300 people, then pay them something, it seems to me.

If they still object to the view, let them move. So at some point you have to think in terms of the greatest good for the greatest number, expecially where the numbers are disproportionate: 100,000 to 1; something of that sort.

It seems to me though, that you have to think in terms of how many people you are serving, and how many people you are inconveniencing.

Mr. CLARK. Our purpose was to point that out to you. And insure that that potential adversity effect is not forgotten.

Senator LONG. I can recall one time when I first came to Washington that a former U.S. Senator who had built a home at a beautiful point, then he discovered that the Government would like to put a modern highway right past there, and he just—he did about $100,000 worth of work out lobbying against the public interest, from my point of view. I lived in the same area, but I couldn't take any interest in preventing the road from going where logically it should just because it inconvenienced a former U.S. Senator.

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My reaction was if he didn't like it, he ought to move. Of course, that irritated him to hear it, but at some point you have to think in terms of the greatest good for the greatest number.

I think that you have pretty well made clear what your problem is. Do I take it that out of the various plans that have been suggested, the one that perhaps appeals to you most would perhaps be the one for the elevated parking lot, or the elevated docks for the buses so that they could get in and go out without being in congestion on Columbus Circle?

Mr. CLARK. That is correct. We would further say we prefer the elevated proposal over the railroad tracks.

Senator LONG. You would rather have it over the railroad tracks themselves?

Mr. CLARK. Yes.

Senator LONG. What is the difference in cost between putting it over the parking lot area that is, the private land area, and putting it over the railroad tracks? What is the difference in cost?

Mr. CLARK. We have not made a cost estimate outselves. We have been relying upon DOT for that. I am sorry I can't quote that for you. I know it is more expensive.

Senator LONG. Well, I am looking at two plans. One of them $23 to $27 million, and the other $16 to $20 million. So it looks like there would be a difference of about $7 million between putting it where you would like to see it, and putting it at the point where we have discussed.

You think—is that the one we are talking about there? Is that the one with the 49 docks over the railroad track the one you think would be the best one, the one being held up now?

Mr. CLARK. Yes.

Senator LONG. I would ask that that appear in the record at this point.

A VOICE. We have already entered all of them in the record.[1]

Senator LONG. All right. That's the one you think does the best job of considering the safety problems, considering ingress, egress, and the best way to get in and out to provide a service?

Mr. CLARK. Yes, sir, that is correct.

Senator LONG. And that is the one that provides 49 docks?

Mr. CLARK. Yes, sir.

Senator LONG. Right. Thank you very much, sir.

Mr. CLARK. Thank you very much, sir.

[The statement of Mr. Schneider follows:]

STATEMENT OF DOUGLAS N. SCHNEIDER, JR., DIRECTOR, DISTRICT OF COLUMBIA DEPARTMENT OF TRANSPORTATION

On behalf of Mayor Washington, I wish to express appreciation for this opportunity to appear before the Subcommittee in support of the proposal by the Departments of Transportation and Interior to complete the Union Station/National Visitors Center complex embodied in S. 2995.

We can create at Union Station a facility that will serve local and out-of-town travellers, who move in a variety of modes, with convenience and efficiency rarely achieved anywhere.

Through Union Station, an intercity rail traveller can, for example, continue by air from Washington National Airport via a convenient Metrorail connecting trip. Commuter trains are met by local taxi, bus and rail service right in the

[1] See p. 38.

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terminal. The station provides a major connecting point for local bus passengers to be fed into the Metrorail system. In addition, there is in the terminal a partially completed parking garage for private vehicles.

So we already have a major interchange point for intercity, commuter, and long-distance travelers by railroad, air, local bus and rapid rail transit, taxicabs, and private vehicles.

The transportation terminal would include every major ground transportation passenger service in the city if intercity buses were to also operate out of the terminal. Beyond that, Union Station would seem to be an ideal location for a public use heliport to connect downtown and other employment centers with the airports and, as the demand develops, with other cities.

In our planning, we have presumed the inclusion of intercity buses at Union Station. With that in mind, we have replaced the old H Street underpass with a new viaduct. The new structure was made elevated specifically for the purpose of direct vehicle access to the Metrorail terminal and the parking garage. This new bridge will also facilitate direct access by intercity buses. Concepts for an intercity bus component of the transportation terminal have been developed in various configurations for the air space over the railroad tracks to the rear of Union Station and congruous with the Metrobus deck and parking garage. We continue to favor this addition and hope that there will continue to be serious thinking given to it.

Within the past several days, we became aware of a proposal for an intercity bus terminal on 2nd Street, N.W. While we are pleased to know of this continued interest in a bus terminal at Union Station, the location on 2nd Street would produce unacceptable traffic and neighborhood impacts. Second Street is but a narrow local street. Row houses on this street are being remodeled. Protection of the residential neighborhood to be east of Union Station has been and must continue as a basic tenet of our planning to avoid the social and economic loss of a degraded neighborhood. The latest bus terminal proposal would not only impose a visible blight on this neighborhood, but it would also place heavy bus traffic in front of private homes and an elementary school. No doubt, the widening and strengthening of 2nd Street would be necessary. It is clear also that the additional left turning traffic from Massachusetts Avenue generated by the terminal would be unmanageable. We never intended our new circulation system in Columbus Plaza to serve this additional traffic. H Street, on the other hand, has been designed to provide this additional access to Union Station. I regret that shortness of time and lack of details prevented our cost estimating of this proposal.

I wish to emphasize the importance of the Metrobus deck. It is one of few spaces in central Washington for Metrobus interfacing with Metrorail, for Metrobus to Metrobus transfers, and for bus layovers. The deck will be increasingly important as the public transit system and transit patronage grow. We would have to oppose the displacement of this operation by intercity buses. We would, however, be open to the idea of joint use if that were possible, particularly by buses used in commuter service by the intercity carriers.

The concept of interim van pool service between Union Station and the downtown bus terminals would need closer examination to determine its utility. Moreover, hours and frequency of operation would be critical to its effectiveness. Intercity bus passengers can currently use Metrorail which is within 2 blocks of the downtown terminals. Metrobus and taxi services are also currently available but could perhaps be improved as an alternative to a sepraate shuttle service.

The roadway system has been completely reconfigured in the front of Union Station. This improvement was designed to separate the through and station access traffic functions, to eliminate the many conflict points we had for so many years, by channelizing the several traffic streams, and to enhance the Columbus Plaza setting with additional landscaping. But the reconfigured road system cannot perform as designed unless the connections are completed to the parking garage and bus terminal behind the Union Station.

In addition, the Metrorail rapid transit line and station serving Union Station has been completed and is in revenue service between Silver Spring, Maryland and National Airport in Virginia.

The local and Federal grant funds that the District of Columbia and the Washington Metropolitan Area Transit Authority have invested in support of a completed Union Station complex totals over $36 million. I wish to reiterate that these investments were in support of a complete transportation terminal. Moreover, the absence of the planned parking and circulation system on terminal property will create intolerable problems. Pressures for more street parking will mount and thereby further reduced limited traffic carrying capacities.

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In our view, completion of the parking garage, completion of the southeast ramp, and construction of a taxi queuing ramp are essential to the proper functioning of the complex and the surrounding city streets. I would also agree with the Secretary of Transportation that rail use of the concourse is an acceptable alternative to use of both the west wing and concourse.

I again thank the Committee for inviting the testimony of the District of Columbia. I trust that the municipal interests to be served by the completion of Union Station as originally contemplated and now proposed by the administration will help persuade the Committee to act favorably on these improvements at Union Station.

Senator LONG. We will next call Mr. Don Brazier.

STATEMENT OF DON BRAZIER, VICE PRESIDENT OF FINANCE, AMTRAK CORP.

Mr. BRAZIER. I would like to file my statement and summarize.

First, I would like to say Amtrak supports the design as it has evolved, and we support the resumption of construction of a modified complex that will better serve all users, visitors as well as rail passengers. And I might add, we support the concept of an intermodal facility.

We have, I think as the record shows, attempted to promote bus-rail intermodal exchanges. And certainly we feel that this would be a step in the right direction.

Our reservations might only be that as supporters of rail passenger service, we are anxious to complete the rail passenger facility as quickly as possible, and would urge that such planning as may go toward making it a full intermodal facility not delay that particular concept.

We also would like to point out that there is a considerable need for additional rail passenger service space in the Washington Union Terminal; as the Washington-Boston corridor is improved we expect a very significant increase in rail passenger service. And we are also seeing increases in passenger services out of Washington to Richmond, and points south to Virginia and Florida.

We, however, would like to make two points for the record, Mr. Chairman.

First—and we have no complaint in this—but we would like to participate in the negotiations and approval of any agreements that affect this project and its future development so as to assure that we are fully coordinated with the Departments of Interior and Transportation, and the development of the project as a whole.

And, second, that any increases in Amtrak's cost under any institutional arrangement that is developed should be clearly noted and specifically funded.

We are concerned, as the Congress is concerned, that the cost of rail passenger service may be increased, and to the extent that increased operating costs increases the net costs to Amtrak, we would like the Congress to take note of that and recognize it. This will be an additional financial burden on the corporation. We are hopeful that the legislative process will result in a beneficial outcome for all concerned, recognizing that additional funding is now a realistic necessity, but also recognizing that the commitment of new funds must be intelligently structured to avoid still further expenditures in the future.

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We stand ready to cooperate with all agencies involved towards that end.

Senator LONG. Thank you.

Do you have any particular recommendation as to what you think might be the best arrangement as far as the intermodal approach is concerned?

Mr. BRAZIER. I do not at this moment, Mr. Chairman. This is the first time we have seen these charts, and I would like to reserve judgment so we could study what impact this would have on the space that is now set aside for rail passenger service, to assure that the impact is not something that we can't live with.

I would point out that the Government does now own the air rights over the track structure, and that there could be problems with respect to gaining ownership of the property if the terminal were built at ground level. That is a very, very valuable piece of property outlined in that yellow diamond. And it is owned by the Washington Terminal Co., which is, in turn, owned 50 percent each by Amtrak and the B. & O. Railroad.

Senator LONG. Thank you very much, then, Mr. Brazier.

Mr. BRAZIER. Thank you.

Senator LONG. We will print your statement.

[The statement follows:]

STATEMENT OF DON R. BRAZIER, VICE PRESIDENT, FINANCE, NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

Mr. Chairman, members of the committee, Amtrak appreciates the opportunity to participate in this search for a legislative solution to the present very unsatisfactory situation at Union Station.

We think it is important to say, at the outset, that had the National Visitor Center complex been completed as originally planned the resulting facility would have been inadequate from the point of view of the rail passenger service and would have become even more seriously inadequate in future years. Both the Department of the Interior and the Department of Transportation recognize this and have recommended an improved design as well as the funding necessary to complete the needed work.

Amtrak supports the design concept as it has evolved, and we support resumption of construction of a modified complex that will better serve all users—visitors as well as rail passengers. We agree with Secretary of Transportation Adam's assertion that finishing this project according to the way it was on the drawing boards before the enactment of the Northeast Corridor Improvement Program "does nothing but perpetuate a mistake."

As matters now stand, and as the two Departments have recognized, the Visitor Center has far more space than it needs and the rail passenger facility does not have enough. Rail passenger volume through Union Station is on an upward growth curve, and this growth will markedly accelerate as rail service is improved in the corridor between Washington and Boston. Rail commuter service is also being improved and expanded, and, with Metro rail service now reaching further into the metropolitan area, commuter traffic through Union Station can be expected to grow exponentially. Amtrak's intercity traffic to and from points south and west of Union Station is also increasing, and we are now seeing a "corridor" type of growth in ridership between Washington and Richmond. This revival of rail traffic was unanticipated by planners of the present and still uncompleted "replacement" facility.

Even today, during normal heavy travel periods, the present rail facility becomes overcrowded and confusing for the public, with spillover back into the old concourse area. The station as presently situated will not permit the expansion that will be required to accommodate the increased Northeast Corridor travel volumes.

I should also note that Amtrak ridership today would be even higher at Union Station had we not lost our patron parking there. Elimination of the valet parking was the first casualty of the construction program, while the new parking

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garage remains unfinished and unavailable for public parking. This remains a most serious problem and a sources of continuing complaints from the public.

Another problem is public access to the rail facilities, including the distance and circuitry of the paths passengers must take to get from or to the trains. Under the plans in effect when construction stopped, access was to be made even more difficult by the addition of a three-lane roadway on the ground level between the old concourse part of the Visitor Center and the railroad station. Almost all of the railroad users would have had to cross this roadway and its associated vehicular congestion to get to where they are going. With completion of the upper-level ramps, this ground-level roadway is unnecessary. From the standpoint of the using public, it is a most serious design flaw.

Amtrak supports and will work cooperatively with the Congress and the Departments of Transportation and the Interior on a solution that will (1) provide adequate space for rail passengers, especially for future needs, (2) complete the parking structure, (3) eliminate the three-lane roadway by completion of the east access vehicle ramp at the end of the old concourse, and (4) shorten and rationalize the pedestrian traffic flows in and out of and through the rail facility. We do, accordingly, support the enactment of S. 2995.

We would, however, like to make the following points for the legislative record. First, Amtrak must directly participate in the negotiation and approval of any agreements that affect this project and its future development. Second, any increases in Amtrak's costs under any institutional arrangement should be clearly noted and specifically funded. Our support is necessarily contingent on the satisfactory resolution of these two concerns. Additional funding of any increased operating costs must be agreed to by the Administration and approved by Congress or under present budget policies we would have no option but to reduce train service.

Having expressed these reservations—and they have been acknowledged by Secretary Adams—we want to say that we applaud the very substantial progress that has been achieved by the two Departments in devising a satisfactory resolution of the present unacceptable situation. We at Amtrak are hoping that this project can again be moved off dead center and that the necessary new construction and repairs to the old structure can begin.

In our view, leaving matters as they now stand—unfinished—would be an unmitigated mistake. Staying on the course as it was set when the money ran out would be an even worse mistake, resulting in an inadequate and poorly functioning facility that fails to take future rail needs into account.

We are hopeful that the legislative process will result in a beneficial outcome for all concerned, recognizing that additional funding is now a realistic necessity but also recognizing that the commitment of new funds must be intelligently structured to avoid still further expenditures in the future.

Mr. Chairman, this concludes our written statement. We are prepared to supply or develop whatever additional information the committee may desire.

Senator LONG. Next we will have Mr. C. W. Shaw, Washington Terminal Co.

STATEMENT OF C. W. SHAW, MANAGER, WASHINGTON TERMINAL CO., UNION STATION

Mr. SHAW. Good morning, Mr. Chairman.

My name is C. W. Shaw, Jr. Since 1965 I have been the manager of the Washington Terminal Co., the corporation which operates the rail passenger terminal in Washington, D.C.

I understand there are two bills here: one, the administration bill, S. 2995, and H.R. 11207, and then there is also the bill reporrted by the House Committee on Public Works and Transportation, H.R. 12796.

It is my further understanding that H.R. 12796 would complete the project as originally planned, with the new passenger station remaining as is, or completed.

The administration bill would move the passenger station back into the old building.

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Of our two stockholders, the Baltimore & Ohio tends to favor the concept of staying with the new passenger station, whereas Amtrak has certain apprehensions about this being adequate space for the future needs of rail transportation.

With regard to the specific provisions of these two bills, particularly S. 2995, the Terminal Co. has really three concerns.

First, this bill contemplates that the Department of Transportation, not the Terminal Co., would operate the rail passenger station. Perhaps the intent is that DOT would operate the waiting room and other station facilities, and the Terminal Co. would continue to go about operating the rest of its business on approximately 130 acres that it now comprises.

Second, in the proposed legislation S. 2995, the Terminal Co. is authorized to assign to the Secretary of Transportation its right and obligations in, to, or concerning the rail passenger station. The Terminal Co. has spent, so far, $3.7 million on the new station, and this is also a base in which the Terminal Co. collects rent from its various user railroads.

If the Washington Terminal Co.'s interest in the new station is turned over to DOT, or somebody else, we feel that we should be reimbursed for our investment.

Third, under the contractual arrangement by which the Terminal Co.'s expenses are allocated back to the using railroads, these railroads have an interest in approving any substitute facility that may be built or planned.

When the Visitor Center Improvement Act of 1968 came into being, one of the factors that weighed heavily among the using railroads of Union Station was that the new station had a predicted operating cost of considerably less than the old building.

So I think it is only fair that some arrangements should be made to protect these railroads' interests so far as any increased operating costs that might incur.

However, with these clarifications or changes, the Washington Terminal Co. certainly would not oppose the administration's bill, and would do their part to implement whatever plan is approved by Congress. Whichever approach Congress adopts, the Terminal Co. feels very strongly, however, that something must be done immediately to move ahead with the project.

As it is now, the parking facility remains largely unusable; the new railroad station is unfurnished, and passengers must walk too far to reach the railroad station. The new station has also suffered substantial water damage due to the unfinished state of the parking garage, and this situation could become extremely serious unless the construction of the garage is soon completed.

Of course, costs for completing all components are subject to continuing escalation.

This completes my prepared statement, Senator. I would be pleased to answer any questions you might have.

Senator LONG. I think that you have made—you might want to submit something for the record, but thank you so much.

[The statement follows:]

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STATEMENT OF C. W. SHAW, JR., MANAGER, THE WASHINGTON TERMINAL CO.

I am C. W. Shaw, Jr. Since 1965 I have been the Manager of The Washington Terminal Company, the corporation which operates the rail passenger terminal in Washington, D.C.

The Terminal Company's stock is owned in equal parts by The Baltimore and Ohio Railroad Company (B&O) and the National Railroad Passenger Corporation (Amtrak). I should say at the outset that in the few days I have had to prepare this statement, there has not been time for full coordination with the owner companies. In particular, this statement should not necessarily be taken as an expression of the position of Amtrak, which is providing its own testimony at this hearing.

For almost 70 years, the passenger station operated by the Terminal Company was located in the Union Station Building (hereafter referred to as the Burnham building). Pursuant to the National Visitor Center Facilities Act of 1968, the station was recently moved to a location north of the Burnham building, where it is now incorporated in the parking garage structure. Approximately $3.7 million has been spent by the Terminal Company on the new station. At present, the station is incomplete. Although the Terminal Company has at all times been ready to furnish its work, the eastern portion of the station cannot be finished until the southeast ramp is constructed and, as this Committee knows, work on the ramp was terminated in 1976 by direction of the Secretary of the Interior.

To my knowledge, two legislative proposals concerning the Visitor Center/Union Station complex are now pending: the bill endorsed by the Administration (S. 2995 and H.R. 11207) and the bill reported by the House Committee on Public Works and Transportation last week (H.R. 12796). From the Terminal Company's point of view, the main difference is that the House Public Works Committee bill would complete the project as planned, with the passenger station at its present location; the Administration bill would move the passenger station back into the Burnham building, now the National Visitor Center.

The Terminal Company has no position on which approach is better. Amtrak (one of the two owners of the Terminal Company and the predominant user of the station) believes that passenger ridership in future years will require a larger facility than the present station and that this can best be accomplished in the Burnham building. On the other hand, B&O (the other owner of the Terminal Company and a user of the terminal for commuter service) believes that the current station is adequate for present and reasonably foreseeable future needs and that it would be unfortunate to tear down parts of a facility which has been constructed within the last three years at considerable expense.

Whichever approach Congress adopts, the Terminal Company feels stronglt that something must be done to move ahead with the project. As it is now, thy parking facility remains largely unusable; the station is unfinished; and withoue the southeast ramp passengers have to walk too far to reach the station. Costs for completing all components are subject to continuing escalation. Moreover, the new station has suffered water damage due to the unfinished state of the parking garage. This situation could become extremely serious unless something is done soon to complete the garage.

Turning to the specific provisions of the pending legislation, the Terminal Company has three concerns with respect to S. 2995.

First, the bill contemplates that the Department of Transportation, not the Terminal Company, would operate the "rail passenger station" (sections 2(2)(c) and 3(2)). As you may know, the Terminal Company does much more than operate the facilities physically located within the station building. At present it operates approximately 130 acres of property, including facilities for the inspection, servicing and repair of passenger cars and locomotives. A range of services and facilities are provided to four user lines—Amtrak, B&O, ConRail and the Southern Railway System. Although the bill is ambiguous, presumably the intent is that DOT (or Amtrak as its lessee) would operate the ticket offices, waiting room and other facilities inside the Burnham building, whereas the Terminal Company would continue to be responsible for operations at station track level and in outlying portions of the terminal facilities. Obviously, great care will have to be taken in working out the interrelationship between DOT and the Terminal Company to ensure that the division of functions does not interfere with efficient operation of the overall terminal facility.

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Second, the Terminal Company is authorized to assign to the Secretary its "rights and obligations . . . in, to, or concerning a rail passenger station" (section 3(2)). As I mentioned, the Terminal Company has invested approximately $3.7 million in the new facility. The improvements are owned by it and are included in the capital account upon which the railroad users of the facility pay rent. If the Terminal Company's interest in the new station is to be turned over to DOT, the Terminal Company must be reimbursed for its investment. Possibly this is what is intended in section 2(2)(e), where it states that the Secretary of Transportation may "acquire by lease, purchase, condemnation, or otherwise any property interest . . . related to Union Station but not held by the United States . . . ." In our view, the intent to reimburse the Terminal Company should be made explicit and, in considering what action is appropriate, Congress must take into account that such reimbursement is one of the costs of moving the railroad station back into the old building.

Third, under the contractual arrangement by which terminal expenses are currently allocated among the railroad users, the users must approve any substitution of facilities which go into the rent base. In approving the move to the new station, one of the factors which weighed heavily was that the operating costs for the smaller, new station would be substantially less than the old. If Congress determines that station operations should be returned to the old Burnham building, it is only fair that the arrangement adopted protect the railroad users against any increase in operating costs.

With these clarifications or changes, The Washington Terminal Company would not oppose the Administration's bill. As long as our rights are protected, we will do our part to implement whatever plan is approved by Congress. As I indicated earlier, we think the most important thing is that Congress take *some* action soon to finish the project.

That concludes my prepared statement. I would be pleased to answer any questions.

Senator LONG. Next we will have Mr. Charles Horsky, Federal City Council.

STATEMENT OF CHARLES HORSKY, FEDERAL CITY COUNCIL, WASHINGTON, D.C.

Mr. HORSKY. Good morning, Mr. Chairman, I have a prepared statement I will file for the record, and I would like to speak briefly on the matter for a moment.

I represent the Federal City Council which has designated me as chairman of the subcommittee to try to get something done about the Visitor Center problem. I don't need to elaborate for you the fact that the situation at the moment is wholly unsatisfactory: Incomplete parking garage, an incomplete rail station, and the rest.

We have examined the problems as best we can, and our major and first recommendation is that something be done.

The project should be completed in one way or another.

With respect to the particular provisions of the Senate bill which is before you, we have a couple of caveats. It seems to us that neither the Visitor Center concept nor the new rail station have had a chance to have a fair test as to what the ultimate use and desirability of those facilities will be. In its present form, the Visitor Center has probably not attracted the number of people one would have expected, since the parking garage isn't finished. And the rail station, half finished, also does not really supply the needs of the railroad passenger.

We think that at the moment it is perhaps unwise to try and decide now what 1985 will look like in terms either of rail passengers, or in terms of Visitor Center visitors.

Our only real concern with the Senate bill is that perhaps too much of the assumptions are made in favor of rail traffic. The Senate bill, as I understand it, would move the rail facilities back into not just the

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concourse, which we think probably is a wise idea, but also into the main part of the building and the so-called Hall of States on the west side of the building.

We think such a conversion is probably not necessary at this time and would probably be more of a concession to rail traffic than we think would be warranted.

But what I want to urge upon you, as much as I can, is that some bill ought to be enacted, and we would stand ready to try and help in any way we can in order to be sure that something is done about what really is an eyesore at the present time in the Nation's Capital.

Thank you.

Senator LONG. It seems to me, we could work something out so that if someone is leaving by land and not by air, not by sea, but going by land, he can find one point to which he can go and from that one point he can get to where he wants to go. That would be an improvement over what we have now.

Mr. HORSKY. That's correct. I did not mention the intermodal feature. I hadn't heard the earlier testimony this morning. I am sorry I didn't get here when your hearings started. But we would certainly be in favor of combining as much as possible land transportation facilities in one place. I have no views as to which is the best way to do it. I have not seen these charts or maps. But if an intermodal facility which can combine subway, rail, and bus at one point is possible, it would certainly be desirable. And the Visitor Center would be the beneficiary, as well, if the bus terminal were located there.

Senator LONG. It seems to me, though, if you want to go to Gettysburg, for example, and don't know how to get there, but if you could go to one spot and there is information provided that, well, you could get there by a bus leaving in an hour of an airplane leaving out there a couple of hours from now, and if you want to go get on the Metro, you could catch that one and fly up there, or there is some train service that gets you 20 miles from there, and there is also a connection that gets you across, if you want to get there that way.

Then you can take a choice.

Mr. HORSKY. That is highly desirable. I would fully agree with you.

Senator LONG. My thought is now if you want to get somewhere by air, you go to one place.

Mr. HORSKY. That's right.

Senator LONG. If there is anything going there that is where it is going to go from. So the chance would be good, if there is any air service there or any regular scheduled services——

Mr. HORSKY [continuing]. You can get there.

Senator LONG. Yes, sir. If the thing is not already filled up, why, you are in. So we could do the same thing, I would hope, with surface transportation. You go to one place, and from that point, if there is anything moving on the surface that gets you there, you will arrive on that scene.

Now, I don't know whether they rent automobiles there, but they ought to have that too. If there is nothing else can get you there on schedule, why you can rent an automobile and drive.

Mr. HORSKY. One of the things that makes everybody's guessing a problem at the moment is that garage. The garage originally contemplated a very large number of parking spaces for people that could come there and then have available, as you say, train service or bus

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service around the city, local bus service or the Metro. If you have intercity buses, so much the better. But with the garage unfinished the potential of the place is completely destroyed.

Senator LONG. I don't know anything that wastes money more than to start something and not finish it. You just spend your money to buy a liability. So the first thing, assuming that the idea of putting a parking space there was good to begin with, it ought to be completed. That definitely ought to be continued as a part of it.

Mr. HORSKY. The concept, as you undoubtedly were aware, was that it was designed to take care of visitors to the Capital. They could park their car or come by rail, but park their car, and buses would be available to take them from there around the city after they had been oriented as to where they want to go, and what they want to see. You can't do that. There is no place to park.

I urge that we finish the system, that is all.

Senator LONG. Thank you very much.

Mr. HORSKY. Thank you.

[The statement follows:]

STATEMENT BY CHARLES HORSKY ON BEHALF OF THE FEDERAL CITY COUNCIL

Mr. Chairman, my name is Charles Horsky. I am here today on behalf of the Federal City Council, a non-profit organization of 100 business and civic leaders devoted to improving the Nation's Capital.

Several years ago, I had the pleasure of serving as White House Advisor with respect to National Capital Area affairs. In that capacity, I was involved in the early efforts to establish a major orientation facility for visitors at Union Station. After returning to private life, I continued to follow the legislative and construction process. Last year, that process came to a halt. A partially completed Visitor Center was opened in 1976 without adequate parking or adequate access. Structural and mechanical improvements needed to be made. It was clear that to complete this work would require additional millions of dollars. Because this facility holds such important potential for the Nation's Capital, the Federal City Council appointed a special Task Force to examine the situation and offer whatever assistance it could.

Mr. Chairman, our Task Force has spent a considerable amount of time looking into this project. We have toured the building, studied the General Accounting Office report on its financing, discussed its operational problems with the National Park Service and Amtrak officials, reviewed a consultant's design alternatives for future development, and discussed its prospects many times with officials at both the Interior and Transportation Departments.

As a result of our investigations and deliberations, we have concluded that:

1. It is essential that the Government immediately authorize funds: to repair the roof and other structural deficiencies; to complete the parking garage and access ramps; and to upgrade the mechnical systems in the main building. These steps need to be taken to make the building safe and usable.

2. The Visitor Center's ability to attract and orient tourists has not yet had a fair test because the parking garage and access ramps remain incomplete. Without sufficient parking at the facility, large numbers of visitors will simply not be attracted to it.

3. The rail passenger terminal facilities are not conveniently located with respect to the existing roadway system and may not be adequate to serve future growth in Northeast Corridor rail traffic.

4. Speculation and uncertainty as to whether the greater proportion of users eventually turns out to be rail passengers or tourists arriving by automobile should not delay completion of the facility. The work that must be done immediately will not interfere with any contemplated use.

5. Responsibility for completing the construction and rehabilitation of the Visitor Center should be clearly assigned to one Federal agency.

The Administration has proposed to transfer responsibility for managing the building from the Interior Department to the Department of Transportation. Under the agreement reached between Secretary Andrus and Secretary Adams the building would be repaired, the garage would be completed, the Concourse and Hall

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of States sections of the Burnham Building would be converted back to railroad terminal purposes, and some of the railroad tracks would be brought back to the Concourse area. The Department of Transportation proposes spending approximately $52 million to accomplish these purposes. Some $30 million would be new authorization and $22 million would come from funds already appropriated for improvements in the Northeast rail corridor.

In the main, we think that the Administration's plan is a reasonable one. We commend both Secretary Adams and Secretary Andrus for taking this initiative and we encourage the Committee to give the plan full consideration.

We would suggest, however, that it is unnecessary at this time to extend train-related activities into the Hall of States area. The Park Service needs to have additional time to develop an active orientation program and to test fairly the Visitor Center concept. In our judgment, they need the entire front half of the Burnham Building for these purposes.

Another difficulty that warrants further consideration is the so-called Concourse level roadway behind the station. The Department of Transportation plan would eliminate this roadway. Many people believe that the roadway is necessary to provide adequate access both to the Visitor Center and to the railway station. A compromise may be necessary. One possibility would be to build the rear roadway at the level of the already agreed upon ramp to the parking garage with escalators down to both the current rail station and the Concourse, thereby providing the additional access desired by many, and eliminating the competition between taxis and train passengers. Such an elevated roadway could also serve as a covering for potential rail facility expansion in the future.

Mr. Chairman, no matter what agreement may be reached with respect to these matters, our primary concern is that the project not become so tied up in jurisdictional and design disputes that no funds are made available to complete those elements that everyone agrees will be needed. Therefore, we hope that your Committee will at least decide to authorize funds and assign responsibility necessary to get the project moving forward this year.

Unless that happens, everyone will be the loser—the travelers to and from the city who deserve a better facility to orient themselves and transfer to other forms of transportation; the District of Columbia, which needs a more efficient means of handling its millions of visitors each year; and the Congress itself, which has assumed the responsibility for developing more appropriate means of welcoming its constituents to Capitol Hill and to the Mall.

We are hopeful that through the leadership of this Committee the current administrative and funding impasse can be broken. Mr. Chairman, as it now stands, the National Visitor Center is not achieving the purposes for which it was intended. It stands as an embarrassment to the Congress, to the Executive Branch and to the Nation's Capital. We urge you to provide the leadership which you have demonstrated so many times in behalf of this city so that, in cooperation with representatives of the House Committee and the Administration, an agreement can be worked out that will permit the Visitor Center to better serve the needs of the City, the Federal government and the Nation.

Senator LONG. Now, we will hear from Mr. Arthur D. Lewis, president, American Bus Association, accompanied by Mr. Ted Knappen and Mr. James T. Corcoran.

STATEMENT OF ARTHUR D. LEWIS, PRESIDENT, AMERICAN BUS ASSOCIATION; ACCOMPANIED BY TED KNAPPEN, VICE PRESIDENT, TRAILWAYS CORP.; AND JAMES T. CORCORAN, VICE PRESDENT FOR GOVERNMENT AFFAIRS

Mr. LEWIS. Good morning, Mr. Chairman. Good morning, Mr. Chairman.

I am Arthur Lewis.

With me, as you said is Mr. James Corcoran and Mr. Ted Knappen.

We are all grateful to have an opportunity to testify before you today.

I would like to submit my testimony for the record and then just summarize briefly what I have said.

Senator LONG. Yes, sir.

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The intercity bus industry for many years has advocated policies leading to the integration of the transportation services in this country. It is believed that total travel by common carrier transportation will increase with an improvement in the ability of passengers to move easily between transportation modes. Anything which facilitates the ease of connections between modes will assist in diverting travelers from the private automobile to common carrier transportation, and this we believe should be a major objective of this Government.

We think it is not logical to speak of intermodals terminals unless the intercity bus is an element of the terminal, to involve a project that is only rail and local transit systems in my mind is not truly intermodal.

We think it is absolutely important in the intermodal concept for the intercity bus industry to be an integral part of such facility. In that regard and in support of that, I would like to turn your attention to the exhibits we have filed with the statement and while unfortunately in the reduction of this scale I find you can't read the cities on these maps of the intercity bus routes in and out of Washington, you can see the very large number of cities or communities served by the intercity bus industry as against rail——

Senator LONG. I will ask that this appear in the record. It may be hard to read but perhaps someone from staff can help.

Mr. LEWIS. I will submit for you a larger and corrected copy.

Senator LONG. The point that impresses me is if you look at the two maps and I hope they can, let's say exhibit A could be put on a page opposite from exhibit B, and you could take a look because what that tends to show is that you can come into the city by rail from about four different directions, you can come in from the west or from the north. You can leave to the southwest or to the south. Connection over to the southeast. That is all she wrote as far as the rail is concerned.

But you have a good deal more potential, for example, in addition to coming in from those directions, you can also come in from the east or from the west or from the southeast or the southwest or the northeast or the northwest.

Mr. LEWIS. And subsets of those, yes, sir.

Senator LONG. And when you leave you can go in almost any direction if you are going by bus.

Mr. LEWIS. There is just no comparison in terms of the coverage that we offer the flow-through traffic originating in the total area surrounding Washington, D.C.

Senator LONG. So if a person is not really able to afford, unless he's fully equipped to rent an automobile and drive himself, he has to use public transportation. The odds that he could get where he wants to go on the bus greatly exceed the odds that he can get to that same place by going by rail.

Mr. LEWIS. That's right.

Senator LONG. You have the frequency to consider also. It may be that he goes out there and they have a train going where he wants to go but it doesn't leave for 3 or 4 hours and meanwhile here's a bus that leaves in the next half-hour. Nobody but an idiot is going to

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sit around, waiting for the train for 3 hours when he could get on the bus, perhaps a somewhat narrower seat but he would be there long before the train would ever leave.

Mr. LEWIS. Yes, sir.

Exhibit C shows the actual number of passengers carried by various modes of transportation in and out of Washington metropolitan area, and it shows that we carry 6.6 million or did, currently, that compares to 4 million for rail, of which roughly 2 million are commuters.

Incidentally about 2 million bus passengers also are commuters in and out of the Washington metropolitan area.

So it really does add significantly to the through-put of passengers if the intercity bus system is included in the intermodal terminal. We think that is very important that the intermodal development be advocated by the policymakers of the country. It provides the best opportunity to show values which can be gained by an improvement in the interface between transportation modes.

In the Washington, D.C. area we do something which is a little better than that. We have at Union Station a National Visitors Center, which is languishing for lack of traffic. I agree that it perhaps should be expanded and improved in quality.

But one thing that will increase the volume of visitors to the visitors center again is by putting the intercity bus industry at the terminal because that increases the throughput of passengers, intercity, from 4 million to 10.6 million a year.

So you increase significantly the ability of the visitors center to become an economically viable or sensible program.

It is our very strong view that this Congress should insist that the Department of Transportation address itself to the bringing together of this facility, intercity bus service, commuter rail and all the like and that the Congress shouldn't accept any compromise in doing that.

We have noticed for the first time, we have some thoughts on terminals and our ability to function in the relationship to the rest of the facilities there.

Just this morning we have seen several new proposals that we have not had an opportunity to study, so that as contrasting with my text, where we point out the study of Greyhound, I must—to construct on block 720, I must admit there are several proposals pointed out this morning that we would consider satisfactory and superior to that which we proposed.

Senator LONG. You think there are several submitted you would think were superior to those you submitted?

Mr. LEWIS. Yes, sir.

Senator LONG. Which sounds the best to you at this moment?

Mr. LEWIS. We would like, if we may, since we just saw the proposals this morning, we would like to submit for the record a letter which would indicate which of the proposals we would prefer.

Actually the raised terminal either over the tracks or adjacent to the facilities such as this chart, the raised facility with limited—with access to and from the limited access highway, either of those would be preferable to us.

We would like to actually study them, see the alternatives and values that they represent to us and submit to you a letter.

[The following information was subsequently received for the record.]

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AMERICAN BUS ASSOCIATION,
Washington, D.C., June 19, 1978.

Hon. RUSSELL B. LONG.
U.S. Senate,
Washington, D.C.

DEAR SENATOR LONG: We have been asked by you and also by Senator Moynihan to present our views as to space requirements for the intercity bus portion of the Union Station as well as our preferred plan for the terminal development and to make some comments on the matter of user charges. Today, I am sending to both of you the following information.

1. Principal operators of the intercity bus industry in Washington prefer proposal No. 3 as presented by the Department of Transportation (DOT) which would locate the intercity bus facility above the through railroad tracks and has been designated "Through tracks—Air rights plan" by DOT.

We would like to urge, however, that as part of the program of the development of Washington Union Station, that the adjacent lot 720 be acquired and made a permanent part of the Union Station complex. By acquiring it at this time Congress can make certain that it is available for future needs associated with the terminal, whether they be requirements of the intercity buses, Amtrak, or any ancillary services.

We would also like to suggest that consideration be given to provide private automobile access from H Street along a ramp on the east side of the bus station area. While we do not have a specific plan to propose at this time, we do think a study should be made as to the value of automobile access on this route.

We think it is essential that ticketing and baggage checking facilities be provided in the concession area immediately adjacent to the proposed bus terminal. We think it is important that in every respect these facilities should be as efficient and comfortable as those provided for ticketing and baggage handling for Amtrak. We believe it will be essential that the total space allocated to both rail and bus for ticketing and baggage operations be adequate for combined rail and bus volumes of business.

2. We would also like to propose that commuter buses operated by the intercity bus companies have access to the transit deck via H Street for the purpose of dropping off passengers at that point—not for parking of buses.

3. We concur with the desirability of providing 49 bus docks as shown on plan 3, however, there is the possibility that we might prefer to see a modest reduction in the number of docks in order to increase the space allocated to package express at the H Street side of the terminal building.

These docks should be large enough to handle buses which are 102 inches wide and at least 45 feet long.

4. We require approximately 20,000 square feet of space for handling package express with the additional space for parking 20 vehicles for pick up and delivery of express of approximately 8,000 square feet.

Combined terminal space for ticketing and baggage handling should be approximately 30,000 square feet. Office space required is approximately 25,000 square feet.

5. You asked us to comment as to whether we could pay for a portion of the costs involved in the construction of the terminal. One suggestion has been made that Trailways and Greyhound make a capital contribution equal to the combined net revenues that will be generated in the disposal of the sale of the current terminal at 12th and I Streets NW.

The intercity bus companies do not believe that they should be asked to contribute funds for the construction of these facilities. These companies compete with Amtrak directly and it is believed they should be given equal treatment in the construction of this terminal.

For many years the total cash flow of the intercity bus industry has not been sufficient to permit the operators to adequately replace buses as quickly as good business policy would dictate, nor has the industry been able to construct terminals throughout the country to meet the full needs of the industry. Both Trailways and Greyhound currently need to spend nearly $200 million in terminals throughout the country. In addition, they have capital requirements of $100 million to replace buses in their fleets that are over 10 years old. Thus, the total capital requirements for both companies in terminals and buses at the present time is approximately $300 million and they do not have the initial cash flow or outside source of capital to enable them to meet that need fully. Thus, we believe any revenues generated by the sale of these properties should be retained by these companies to aid in meeting their additional, urgent capital needs.

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6. The intercity bus carriers will be willing to negotiate reasonable user charges, and again believe such charges should be reasonably related to other fees paid by Amtrak. In any event, however, we believe the nature of the bus market is such that charges, totally, for terminal facilities and services should be less than 5 percent of gross revenues.

I will be glad to meet with members of your staff, at their convenience, to discuss the details of these requirements.

Sincerely yours,

ARTHUR D. LEWIS.

Senator LONG. Well, it occurs to me that in the end it may be that—it may be best, if it proves to be a good idea so it works, it might actually be best if you really—if you assume that the bus proposal works, you could have your parking facility, which is not drawn on either one of those two charts that you are looking at at this moment.

Mr. LEWIS. Yes, sir.

Senator LONG. But you could have a parking facility where people could bring their automobiles.

Mr. LEWIS. Yes.

Senator LONG. Then if you put the 49 bus docks there, in due course you might find you are going to be needing more parking space. If that is the case, you might take the area alongside it that at one time at least you considered recommending acquiring it for bus docks, you might use that instead for additional parking.

You might have a two-level garage to provide more parking for people to come into that area where they could leave their automobiles and take the bus or train from there.

Mr. LEWIS. Yes.

Senator LONG. That is one more possibility that hasn't been discussed. You might make use of all of it.

Mr. LEWIS. Yes, we will do that.

Actually the proposal on the easel at this point, I can't recognize any designation on it, I believe the Department of Transportation indicated that the access to the bus would be on an elevated platform and below that in that triangular park would be waiting room area or other facilities that might be required and it perhaps could be alternate parking or additional parking.

Senator LONG. Yes, sir.

Mr. LEWIS. So, it's the study of that actually and the relative cost that we would like to take a look at. That is the reason we asked for an opportunity to study that and submit it to you, for parking, for related facilities that might provide something for us that being located over the traffic would not provide.

Senator LONG. Yes.

I hope we can do all this. We can find some people to man those facilities who will be courteous and polite. And interested in helping out-of-town visitors. Rather than somebody who would just take a don't-give-a-damn attitude toward people coming in. You have a surplus of that.

My impression is that the further you get away from Dixie the more you run into that kind of an attitude.

Mr. LEWIS. Try to keep it on the south side of the tracks, there.

Senator LONG. Maybe we can get some nice, polite people over there who act like they are glad to see you and would like to help, like to be helpful and have some information so they can hand you a little

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pamphlet that shows at what point all the buses come in and at what point they all go out.

If you people could work it so you could provide information, I have had occasion to call the bus terminal, and I guess because you are hard-pressed for funds, all these services that it's difficult to get the information you want.

The telephone stays busy sometimes so it's difficult to get information as to when the bus leaves.

If we could provide the information to the people, I would think we would have something worth offering.

Mr. LEWIS. I think you could.

Senator LONG. Thank you very much, sir.

Mr. LEWIS. Thank you, sir. We appreciate very much the opportunity to be here.

[The statement and charts follow:]

STATEMENT OF ARTHUR D. LEWIS, PRESIDENT AMERICAN BUS ASSOCIATION

Mr. Chairman and members of the Committee:

My name is Arthur D. Lewis, President of the American Bus Association. With me is James T. Corcoran, Vice President of Greyhound Corporation and Mr. Ted Knappen, Vice President of Trailways, Inc. We appreciate this opportunity to testify today on the future development of the Union Station in Washington, D.C.

The American Bus Association is the national trade association of the intercity bus industry. The intercity bus industry is comprised of approximately 1,000 individual private bus companies. They serve approximately 15,000 communities in the country over 276,000 miles of route. It is interesting to note that the intercity bus industry provides the only form of transportation to over 14,000 of these communities.

The intercity bus industry for many years has advocated policies leading to the integration of the transportation services in this country. It is believed that total travel by common carrier transportation will increase with an improvement in the ability of passengers to move easily between transportation modes. Anything which facilitates the ease of connections between modes will assist in diverting travelers from the private automobile to common carrier transportation, and this we believe should be a major objective of this government.

We were gratified when in late 1975 the United States Congress mandated an Intermodal Transportation Center at Union Station when enacting the Amtrak Improvement Act of 1974, Public Law 93–496. This act authorized $5 million for planning transportation intermodal terminals. This $5 million planning authorization included $1.5 million for planning of a multimodal facility in Washington Union Station to interface with Amtrak, the intercity buses, local transit and Metro Subway, and the air carriers at National Airport via the Metro Subway from Union Station.

We believe that an integration of the services of the intercity bus industry with other modes provides the only opportunity to create an intermodal terminal since its service is so much more pervasive and ubiquitous than other modes.

It is important that you note our attached Exhibits A and B which demonstrate the multitude of communities surrounding Washington, D.C., served by intercity bus as compared to those served by rail. This graphically demonstrates how a common intermodal terminal can enhance the ability of the various transportation modes to serve the public well. Exhibit C is a summary of the passengers carried by all modes in and out of Washington, D.C. As you can see by this table, currently the intercity bus carries about 6.7 million passengers in and out of Washington as compared to approximately 4.0 million by railroads, including the commuting services organized and paid for by the State of Maryland.

We believe that intermodal development should be advocated by the policymakers of this country and the symbol of this advocacy should in this Nation's capitol. It provides the best opportunity to show the values which can be gained by an improvement in the interface between transportation modes. We would like to see the policies set forth in the Amtrak Improvement Act of 1974 continued in effect and that we not turn back to historic times when various modes of transportation were developed separately from each other with no regard for the needs of the passenger.

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Such an intermodal terminal facility interfacing all modes will not only benefit the traveling public but will also aid in conserving energy and improving the environment by encouraging the public to use public transportation at the expense of the private automobile. The principle benefit will come in the ease with which people can transfer between modes. This will eliminate the need for travelers wanting to use more than one mode to transfer between separated terminal facilities in the city, thereby making the use of public transportation more attractive as it will be easier to use.

An intermodal facility at Union Station not only has the standard virtues of an intermodal facility elsewhere, but by including the intercity bus at Union Station, we believe there would be a significant increase in the number of visitors to the National Visitors Center. The intercity bus industry increases the number of intercity passengers flowing through the station by from 4.0 million to 10.6 million per year. A location of the intercity bus industry at Union Station would more than double the number of passengers, other than commuter, which would flow through the station and thus be exposed to the Visitors Center.

In spite of the 1976 Department of Transportation Task 14 Study Report, which recommended the inclusion of intercity bus facilities, we heard nothing throughout the entire year 1977, nor did we see any activity by the Department in implementation of Task 14 recommendations.

We were very disturbed when Secretary of Transportation Brock Adams, in testifying before the Subcommittee on Public Buildings and Grounds, urged that Washington's Union Station be modified solely for the benefit of the rail modes and to the total exclusion of intercity buses. At this point in time, it is unconscionable in our view for the Department of Transportation to recommend or advance any plan that does not now provide for and incorporate intercity bus facilities at Washington's Union Station. It is further our very strong view that this Congress must insist that the Department of Transportation address itself to the challenge of bringing together intercity bus, intercity rail, commuter rail, local transit, local sightseeing bus charter and tour services, and all other such accommodations for the benefit of the general public, the District of Columbia, and surrounding cities and communities, as well as those international visitors, and others, who come to Washington every day of the year whether for business or pleasure.

This Congress should not accept any compromise that would permit rail expansion in the present Union Station and ignore or defer inclusion of the intercity bus facilities in this intermodal complex. Any compromise at this time must be interpreted as a retreat from the intermodal concept and abandonment of what is necessary for a perfected national transportation policy and system.

Secretay of Transportation Adams rejected the drawings which were recorym mended b the architects, Skidmore, Owings and Merrill, which would have put an intercity bus terminal out over the long haul tracks because it would require a platform to be constructed for loading and unloading and would cost $50 million whi h he felt was too expensive. Therefore, the bus industry ha sdeveloped some prelir in ry sketches for a bus facility which could be constructed on block 720 and w uld accommodate both Trailways and Greyhound as well as tour and charter o] erati)ns. For your information, our estimates are that an adequate bus terminal could be built at a cost of approximately $8 million, not including the land, but including demolition of the existing buildings. The land has been estimated to cost $2.5 million for its acquisition. We can provide these sketches for the Committee if it desires.

We are at the critical hour in the development of Washington's Union Station. It is a critical hour as well for the Nation's transportation planners to respond to the challenge of the public need for unifying all the major surface transportation modes at one location—Washington's Union Station.

I urge this Committee to direct the Department of Transportation to respond in a positive manner to this need. It is time we discarded the fragmented approach to public transportation. While bus passengers are largely poor, elderly, or from minority groups, they should not be treated as second [class citizens. This could be the first step.

Thank you. I will be pleased to respond to any questions which you may have.

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Exhibit A

INTERCITY BUS ROUTES FROM WASHINGTON, D.C.

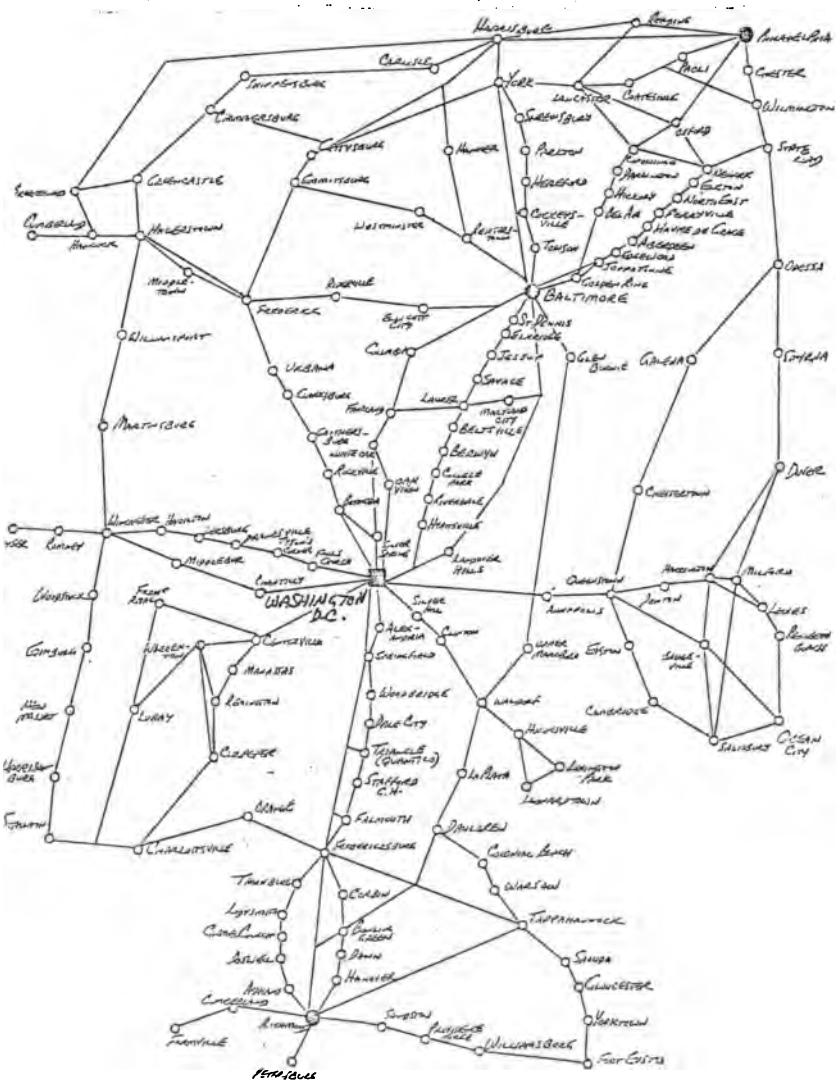

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EXHIBIT B

RAIL ROUTES FROM WASHINGTON, D.C.

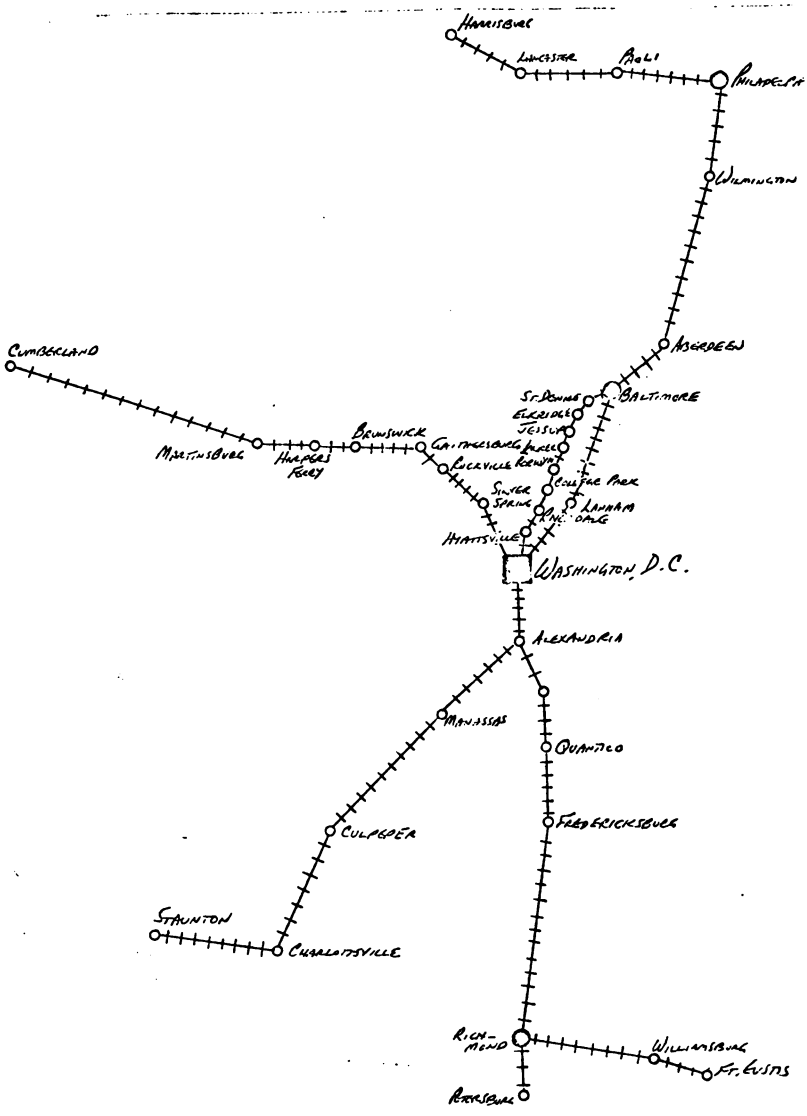

EXHIBIT C—SUMMARY FOR ALL MODES

Bus—6.6 million (5.8 million arrivals and departures for scheduled service and 800,000 charter passengers).

Rail—4.0 million arrivals and departures.

Airlines—14.4 million arrivals and departures (17.3 million including the Baltimore-Washington International Airport).

Senator LONG. Next we will call Mr. Fred Schwengal, president, U.S. Capitol Historical Society.

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STATEMENT OF FRED SCHWENGAL, PRESIDENT, U.S. CAPITOL HISTORICAL SOCIETY, WASHINGTON, D.C.

Mr. SCHWENGAL. Mr. Chairman.

Senator LONG. If everybody put as much zeal into their jobs as you have yours, I think we would have the problems solved already. We are pleased to have your views on the subject.

Mr. SCHWENGAL. Thank you, Mr. Chairman.

I am glad to be back before a committee of the Congress. This time not as a Member of Congress but as a former Member of Congress and former member of the Public Works Committee—in which I worked with you——

Senator LONG. Yes, sir.

Mr. SCHWENGAL [continuing]. And as a citizen and president of the U.S. Capitol Historical Society, Mr. Chairman, you helped form. That began in 1962. And with your help it's been a magnificent development. Now it's my life work. I am thrilled because—with this—and with what's proposed here, we are doing something that is so needed. And that is to quicken people's interest in history and specially the history of this, the Capitol.

Senator LONG. I am with you on that, Mr. Schwengal. I recall one time when Sam Rayburn spoke to some young people up here. They were from Louisiana on that occasion. He was well advanced into his seventies, approaching 80, and he said it thrilled him every time he looked at that Capitol Building, and it does the same to me and thrills me to walk up on that Capitol Building and look out on Capitol Plaza.

If anybody is a stranger here in town and only has an hour or two before he takes off or he is stuck around that visitor center for an hour, if you had somebody, as I said, that had a little courtesy and politeness about his or her, to steer the person over to see some of those beautiful sights, they would be well rewarded and the stopover would be a joy to them.

Mr. SCHWENGAL. Right. And you are involved, as you remember, in developing a book called We, the People, which is the story of the Capitol.

Mr. Chairman, you will be thrilled to know that that today, according to the people at the Library of Congress, is the best selling single history book of all time in the country.

Senator LONG. What we ought to do, Mr. Schwengal, to develop the thing as we ought to, when somebody comes into town, and they come in on a bus and are going to leave on a train, there ought to be somebody to say, "Well, how much time do you have?" And then say, "Well now, there are some very interesting things you could see."

Really, I shouldn't be all that security minded, but to keep that Capitol building locked up when the Congress isn't in session, people ought to be shown around and see the sights at the building.

Mr. SCHWENGAL. Having gotten that out of the way, let me get down to the subject at hand. You may remember that when I was a Member of the Congress, we gave birth to the concept of a visitor center. And we had ideas of having it on the Mall, and we considered a number of ideas. Finally, we came to the conclusion that Union Station was probably the best place. Well, we launched that program. Very exciting concept. We have it now; it is a reality. But because of

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some unfortunate experiences, it is still incomplete. The blame for this has been placed on misunderstanding, miscalculations, and some bad judgments.

To remedy this, it is proposed by some that the completion and/or change of the concept be put in the hands of the Department of Transportation.

I oppose this plan and strongly favor the Walsh or House plan passed by the House committee for the following reasons: I have studied the DOT plan and have not had a chance to study the new ideas that have come up, and the DOT plan will cost $52 million.

The Walsh plan will cost $36 million.

The DOT plan tears down over $4 million in new construction and brings rail service into the concourse section of Union Station.

The Walsh plan leaves Union Station as it is and completes the roadway between Union Station and the rail station. DOT said it would cost $1.6 million to complete the roadway; however, another estimate by the chief engineer of Chessie said it would cost only $200,000.

The Government has already spent $48 million in taxpayers money for a national visitor center.

DOT now wants to give it to Amtrak. I was in favor of Amtrak, I think it was a great concept, great idea. A good long-range goal. But now, so after another $52 million is spent under the DOT plan, Amtrak will receive a building costing over $100 million.

The Government entered into a lease-purchase agreement with the Washington Terminal Co. to pay $3½ million a year in rent for 25 years. At the end of 25 years the building will be purchased for $1.

Do the members of this body want to give the taxpayers a rail station or a national visitor center?

That is an important point. The DOT plans to buy out the concessions and give the revenues to Amtrak.

The Walsh plan puts the revenues back into the U.S. Treasury. I might add, when we complete this project and do some of the things I will comment on later on, that concession business is going to be something very worthwhile.

The Department of Transportation says the reason Amtrak needs the concourse space in Union Station is because of increased ridership projected in 1990.

A director of the Northeast corridor improvement project said that the DOT projection was based on the implementation of high speed rail. This is an important thing to note. He also said that this equipment had not been acquired and that there were no indications of when it would be available.

The projections of DOT and Amtrak have not been accurate in other circumstances. You know that, Mr. Chairman. They have been overestimated tremendously. That's the reason we have had to have you give them some more money.

The operators of Union Station have been unable to fully utilize the station due to the uncertainty of its future and potential owners have been leary of opening restraurants, et cetera, at Union Station for that reason.

Although rail will be using the garage and southeast ramp, the Secretary of Transportation states that if any other plan but his plan

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is adopted, that he would reconsider his wisdom in authorizing any Northeast corridor funds. The total funding for the NECIP was $1.9 billion.

The Secretary is holding a gun, it seems to me, to the Senate and Congress—and even if the DOT plan is adopted, he will only put $22 million into Union Station from that fund.

Now, that is the end of my formal statement that I will submit for the report.

But let me tell you something else, Mr. Chairman, and this will be of interest for both the railroad and the buses, and all.

The original plan, as you may remember, called for the building of 4,000 parking spaces. 300 of them, between 300 and 400 of them, were for buses. The ingress and egress were so that you could easily get to the station there. We considered at that time the possible future need of railroad space. I think what we need to do is get on with what we have been doing, but lay great stress on building a place for people to park their car, so they can do as you so eloquently stated awhile-ago, come to a central place where you can go for surface transportation.

I think the buses have a tremendous opportunity to serve. And that could be a central headquarters, which it ought to be, for them.

My, how that could accommodate those people who will be traveling on the surface. And the more people that do that in buses and trains will make it possible for us to more realistically serve the energy problem too.

That is my statement, Mr. Chairman.

Senator LONG. Well, you have made a good point.

Now, what is your estimate of what it would cost to do what you are advocating here?

Mr. SCHWENGAL. What is that?

Senator LONG. What is your estimate of the cost? You, as I understand it, really had in mind a lot more parking spaces than they are projecting now.

Mr. SCHWENGAL. We have to go back to the original records to find the original. The $36 million figure I quoted will not cover the additional parking spaces, but I say to you that both for the interest of the railroad, the buses, and the people, we ought to vastly expand the parking opportunities there. That I think would pay for itself. People would pay a dollar or whatever they would have to pay to come there for a period of time. That would help so many people riding the trains and who are coming on trains, going to take the bus or Tourmobile or, whatever, from that central headquarters.

Mr. Chairman, the original concept was sound. Let me make one other point. The Park Service of America thanks the wisdom of Congress who, at Teddy Roosevelt's recommendation, bought millions of acres of land, put it back in the public domain, that is the basis of our park system. And you were here when we adopted the Mission '66. We were laughed at, but you were one of the supporters. The said we were wide-eyed dreamers, but now we find out Mission '66 didn't aim our sights high enough even.

The point I want to make is that nobody in this world knows as much about handling the public and crowds as our Park Service.

They do a magnificient job all over the United States. So I suggest that we continue to have confidence in the Park Service and their

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ability to meet this challenge, and recognizing all the problems, the problems of the railroad, the problems of the bus, and the people.

Senator LONG. Mr. Schwengal, give me a thought or two that I know you have entertained from time to time as to how that facility could be used. In other words, let's assume a person comes in on a bus and he has some time between the time he comes in and the time he departs. So he has some time on his hands between the time he comes in and the time that the train departs.

What kind of use do you think that facility could provide him?

Mr. SCHWENGAL. The Park Service had some idea about the Hall of States where, if you were from Iowa or Louisiana or wherever, you could be kind of host to those people who are from there. At that point they could answer all kinds of questions: "Where is my Congressman?" "Where is my Senator?" "This is what I want to see or do." They could counsel. Then you could also, and the Park Service has some wonderful pieces now they can hand out to people. And there is the panoramic show. But there are also two theater sections there where they show a picture called "City Out of Wilderness." Here, again, you were helpful. That was done by the U.S. Capitol Historical Society without cost to the taxpayers. And there is another film there that deals with the current history of Washington, D.C., both well done.

In that area the railroad wants to take over, we could build some more of those theaters and auditoriums where people could prepare themselves for a visit, "Washington Past and Present," "Washington Out of the Wilderness," I should say, the title of the picture, serves the same purpose that the paper serves in Williamsburg. Williamsburg has a small concept of what we are dreaming of here. They have a parking area. You go into the Visitor Center and see the auditorium, the magnificent picture—about a 28-minute picture, I guess, of the history of the background of the area. Then you go on from there.

Senator LONG. So would you think that Williamsburg would offer a good example of the kind of thing you think ought to be done here?

Mr. SCHWENGAL. Yes, it would. They have the book section, things you can buy there. Fine restaurant facilities.

Senator LONG. So you would first go up and show you a picture of what this is all about.

Mr. SCHWENGAL. Right.

Senator LONG. Then you could decide what you would like to see firsthand. There would be facilities, conveyances to move you to where you want to go and see it.

Mr. SCHWENGAL. Right.

Senator LONG. And people would tell you about it.

Mr. SCHWENGAL. Sure. You have buses here that can take you to wherever you want to go in this area. We have a fine bus system here. We ought to salute the bus people for what they have done in helping just the average person travel from here to there at minimum cost. And in comfort now. They have air-conditioning, all kinds of facilities, and so on. As you pointed out, they run more often.

Then we have locally the Tourmobile that takes people around to all the areas here. My feeling would be that people would pay for the parking plot $1.50, and that $1.50 would give you so many tickets on the Tourmobile, until you want to come back and pick up your car. I just think the potential of the dream that we have, and had

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in the original legislation, and the concept the parking service already has down there, if they could just be utilized then have the money to go ahead with it, it would save money, it would help the people and most importantly we would help them learn about this great place.

Senator LONG. All right. Thank you very much, Mr. Schwengal. I appreciate your statement here today.

That concludes our list of witnesses, and I will attempt to bring this information before the subcommittee. I hope that perhaps we can take a look firsthand at some of this and see some of the suggestions on the ground, so we can perhaps have a conference with some of the Cabinet officers involved and get their suggestions.

Mr. SCHWENGAL. Mr. Chairman, I meant to ask permission to respond to whatever the new ideas are that I haven't been briefed on.

Senator LONG. Fine.

Mr. SCHWENGAL. Thank you very much, sir.

[The statement follows:]

STATEMENT OF FRED SCHWENGAL, PRESIDENT, U.S. CAPITOL HISTORICAL SOCIETY

Dear Mr. Chairman and members, I am glad to be back before a committee of the congress. This time not as a member of congress but as a former member of congress and former member of the Public Works Committee of the House, as a citizen and as President of the U.S. Capitol Historical Society.

Some members of this Committee may know that I was one of the original sponsors of legislation to launch the visitors center concept for Washington, D.C. After extended hearings some years ago on the subject of a visitors center, the congress authorized and appropriated funds for the development of the Union Station as a visitors center. We have it, it is a reality, but because of some unfortunate experiences, it is still incomplete. The blame for this has been placed on misunderstanding, miscalculations, and some bad judgments.

To remedy this it is proposed by some that the completion and/or change of the concept be put in the hands of the Department of Transportation.

I oppose this plan and strongly favor the Walsh or House plan passed by the House Committee for the following reasons:

The DOT plan costs over $52 million.

The Walsh plan costs $36 million.

The DOT plan tears down over $4 million in new construction and brings rail service into the concourse section of Union Station.

The Walsh plan leaves Union Station as it is and completes the roadway between Union Station and the rail station. DOT said it would cost $1.6 million to complete the roadway; however, another estimate by the Chief Engineer of Chessie said it would cost only $200,000.

The government has already spent $48 million in taxpayers money for a National Visitor Center.

DOT now wants to give it to Amtrak. So, after another $52 million is spent under the DOT plan, Amtrak will receive a building costing over $100,000,000.

The government entered into a lease-purchase agreement with the Washington Terminal Company to pay $3½ million a year in rent for 25 years. At the end of 25 years the building may be purchased for $1.00.

Do the Members of this Body want to give the taxpayers a rail station or a national visitor center?

The DOT plan buys out the concessions, and gives the revenues to Amtrak.

The Walsh plan puts the revenues back into the U.S. Treasury.

The Department of Transportation says the reason Amtrak needs the Concourse Space in Union Station is because of increased ridership projected in 1990.

A Director of the Northeast Corridor Improvement Project said that the DOT projection was based on the implementation of high speed rail. He aso said that this equipment had not been acquired and that there were no indications of when it would be available.

The projections of DOT and Amtrak have not been accurate in other circumstances. They have been over-estimated tremendously.

The operators of Union Station have been unable to fully utilize the station due to the uncertainty of its future and potential owners have been leary of opening restaurants, etc. at Union Station.

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Although rail will be using the garage and southeast ramp, the Secretary of Transportation states that if any other plan but his plan is adopted, that he would reconsider his wisdom in authorizing any northeast corridor funds. The total funding for the NECIP was $1.9 billion dollars. The Secretary is holding a gun to the Senate and Congress—and even if the DOT plan is adopted, he will only put $22 million into Union Station from that fund.

Senator LONG. That concludes this morning's hearing.

[Whereupon, at 11:27 a.m., the hearing was adjourned.]

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ADDITIONAL ARTICLES, LETTERS, AND STATEMENTS

Statement of Ross Capon, Executive Director, National Association of Railroad Passengers

Mr. Chairman, my name is Ross Capon. I am executive director of the National Association of Railroad Passengers which is a non-profit, consumer-oriented organization, supported entirely by membership dues and contributions. We receive no financial support from the government, the railroad companies, Amtrak, or the railroad labor unions.

Our Association played a major role in the 1969–70 campaign which led to the establishment of Amtrak. Since then, the Association has worked both to improve the quality of Amtrak's management and to see that Amtrak gets adequate funding.

The National Association of Railroad Passengers strongly supports S. 2995, the Administration's proposal to restore much of Washington's Union Station [1] to its original function, a rail passenger facility.

But, in light of the House action, I would like to emphasize two essential aspects of the Administration proposal on which we hope the Senate will not compromise:

First, the temporary rail station must be removed, the tracks brought back to the Burnham building, and an adequate amount of space in that building made available for rail passenger facilities;

Second, there must not be a roadway constructed at grade behind (to the north) of the Burnham building.

The following benefits would result from removal of the temporary rail station:

1. The growing number of "walk-on" rail passengers, both intercity and commuter, (and there are many both from Capitol Hill and nearby office buildings) would be able to reach their trains much more easily. The Administration plan would reduce their walk by over 120': 120' from the relaying of the tracks, plus an additional reduction from eliminating one zigzag course that is now traversed through the north concourse and the walkway to the temporary station.

For such passengers who are using lower-level trains, elimination of the need to walk first to the temporary station and then partially backtrack to the lower-level is especially important. It should be noted that the lower-level tracks are not used only by long-distance trains, but also by almost all southbound corridor trains from Boston/New York/Philadelphia.[2]

For commuter traffic, this reduction in walking distance is crucial because experience with commuter rail elsewhere indicates that most people do not want to spend more than ten minutes getting between their train and their downtown destination, whether this involves all walking, or urban transit as well. Reducing the amount of walking within the Union Station complex would bring many more potential riders below that ten-minute threshold. It should also prevent new or one-time users of the station from missing their trains because they miscalculated the distance from the Burnham building's main entrance to the trains.

Current commuter ridership of Maryland-subsidized (non-Amtrak) trains is about 6,000 trips per weekday. Amtrak says that 2,376,713 passengers arrive or left on their trains in 1977 at Union Station; Southern Railway's figure is 123,528. The total: over 4 million passengers/year.

2. Consolidation of rail passenger service and the Visitor Center within the Burnham building would result in a net annual saving of $1.5 million in operating costs, according to Secretary Adams. There would also be energy savings from elimination of heating, lighting, and air-conditioning costs in the temporary station.

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[1] Referred to elsewhere in this statement as the Burnham building, after the architect.

[2] This is because, on the lower level, engines can be removed from incoming trains immediately upon arrival and returned to the yard for servicing and availability for northbound service, which permits more efficient utilization.

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3. Facilities would become adequate to handle existing peak traffic periods (which come on weekends and holidays as well as the normal weekday morning and evening rush hours), and could grow smoothly as ridership growth continues. If Amtrak were forced to remain in the temporary station now, traffic pressures might eventually require giving Amtrak some space in the Burnham building. But it is important to note that a given amount of space for use by the general public can be more efficiently used if it is all within one building than if it is divided between two buildings.

Our opposition to the roadway behind the Burnham building is based on the following considerations:

1. If the roadway were at grade level, walk-on passengers would either have to fight through the traffic to reach the trains, or would have to walk up to and down from an overpass which would be time-consuming for everyone and especially difficult for those with luggage, young children and babies, the handicapped, and the elderly. If the roadway were elevated, it would be very expensive to build—perhaps $15 to $20 million—because it would involve construction over live tracks, yet it would provide no meaningful benefits.

2. Roadway construction at grade level would immediately increase the number of people passing through the already inadequate temporary station. This is because Amtrak regularly allows incoming passengers from lower level trains to exit directly into the Burnham building, which means less walking for the passengers and less pressure on the limited space in the temporary station. Such procedure would no longer be safe or practical if an at-grade roadway were constructed.

3. A roadway behind the Burhnam building—at whatever level—would lead to more congestion, since the isolated lanes of traffic would be more vulnerable to tieups than a system which kept private autos (other than those using the parking garage) within the Plaza area where vehicles could more easily be detoured arou nd jams.

DOT's ridership growth projections have been challenged by some critics, and particularly the Northeast Corridor population projections on which the projections were based. Since N.Y.–Washington ridership has doubled in the past ten years, we find it inconceivable that some substantial growth will not continue, in light of the significant improvements in service quaity that are planned. The temporary station is already inadequate for existing traffic levels.

Since it is important to remove the present barriers and mazes which daily inconvenience rail passengers and discourage some from using the station at all, and since Secy. Adams indicates his plan would not jeopardize eventual creation of an intermodal station here (with intercity buses), we do not believe that this prospect—which would cause much delay—should be pursued now. Thank you.

Statement of Armistead B. Rood

Mr. Chairman, I thank the Chairman and the Subcommittee for granting me this appearance as a concerned citizen.

I want to tell the Committee about a proposal which I made in 1957, yo reltore the Washington Union Station to heavy vital use to serve the purpose for which it was designed and built—to stand as the magnificent entrance from the entire world into the American national capital.

The proposal was to open Union Station as the inner city terminus of the long-distance airlines from all parts of the world—in addition to its established use as the Washington railroad station.

Many will remember the uproar that went on here during the 1950s over the subject of a new airport. There were two questions: whether to build a new major civil airport for this region—and, if so, where to locate it. A decision was made to build and locate a new airport at Burke, over in Faifax County, Virginia. But the people of Burke objected so strongly that the decision was withdrawn and the uproar resumed. In the popular discussion and in the newspaper coverage the proposed airport was described as a second airport for Greater Washington. Actually it was to become the third major civil airport for the Baltimore-Washington Air Terminal Area (or, if you will, the Washington-Baltimore Air Terminal Area).

The first major civil airport was Washington National Airport, on the Virginia bank of the Potomac River north of Alexandria.

The second major civil airport for this Air Terminal Area was Friendship International Airport, located between Washington and Baltimore. At that time Friendship, having a 10,000-foot runway, was one of the two airports on our East

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Coast that was able to handle the new jet airplanes that were then coming in as a new development in civil aviation. Friendship was only about 10 percent utilized.

The Friendship Airport had been built with great hopes to become the international airport for this Air Terminal Area. But somehow it had not developed and was lying largely idle. (The other airport capable of handling jet planes in those days was Idlewild, now renamed Kennedy, on Long Island.)

But Friendship had a tremendous potential advantage. The western boundary of the Friendship International Airport is the main-line railroad which was then held by The Pennsylvania Railroad Company and is now held, I understand, by the National Railroad Passenger Corporation, known as Amtrak. This is the main-line railroad which is electrified and bears the fast passenger trains operated now between Washington and New York via Baltimore. There was a siding at Friendship Airport, and, coming down in those days on a Pennsylvania train from New York, a plain conventional ordinary train, I clocked the time from the moment when my car passed over the switch at Friendship Airport until the moment when the train reached a dead stop in Union Station, Washington. It was 26 minutes and 20 seconds.

The distance over that railroad is about 29 miles from the western boundary of the Friendship reservation to Washington Union Station. In addition, the parallel route of The Baltimore & Ohio Railroad Company between Washington and Baltimore (which formed the only railroad into Washington until after the Civil War) lay a short distance west of the Pennsylvania route. B&O trains ran from Washington Union Station to Baltimore in 36 minutes flat, for the 36 miles to Camden Station in downtown Baltimore.

The conclusion twenty years ago was that special Friendship Airport trains could easily negotiate the distance from Union Station, about two blocks from the Senate Office Building, to the Friendship Airport passenger terminal in 30 minutes.

Union Station even then was financially burdensome to the railroad carriers It was owned by the Washington Terminal Company, which was a joint subsidiary of B&O and PRR (The Pennsylvania Railroad Company). The other carriers entering Union Station paid rent. The terminal costs were high, and as the old through railroad traffic fell off the costs per passenger increased. Union Station enjoyed heavy postal traffic; the main post office formed part of the Union Station complex, and the main post offices at Philadelphia, New York, and Boston also adjoined the railroad passenger stations served by the trains to and from Washington.

I proposed to solve the problem of Washington Union Station and the problem of the threatened Third Airport very simply: by opening Union Station as the Washington Terminal of the long-distance airlines, domestic and international.

(Parenthetically I likewise proposed to save Pennsylvania Station in New York by opening it as the inner-city terminal for the long-distance airlines connecting at Kennedy Airport or Newark Airport. The connection would be over the railroad, the Pennsylvania Railroad from Newark and the Long Island from Kennedy (and perhaps also from La Guardia). But New York is another story.)

I talked out this proposal with the superintendent of the Washington Terminal Company. If memory serves he was Mr. Morris Lingenfelter. I learned afterwards that he reported to his Pennsylvania Railroad parent organization that this was the solution for Union Station. I also took the proposal to Mr. Douglas Turnbull, the B&O vice-president for development. He introduced me to the Greater Baltimore Committee, and the Greater Baltimore Committee retained my services to try to put this proposal across.

In the government I received support from Mr. Sherman Adams, who was then the chief assistant to the President.

When the location of a new airport at Burke fell through, the Congress authorized construction of an airport and delegated the responsibility for decision as to going ahead and as to location to President Eisenhower, who in turn delegated the responsibility to Lieutenant-General Elwood R. Quesada, the special assistant to the President on aviation matters. General Quesada retained the consulting services of the J. E. Greiner Company of Baltimore, which, as I recall, had constructed the Friendship Airport. Greiner teamed up with some other people under the name of Greiner-Mattern, and that specially-assembled organization put out a most elaborate report. Greiner-Mattern in turn retained an organization headed by the late Paul Cherington of Cambridge, Massachusetts, who made forecasts of future air traffic, set forth in a separate appendix.

It was easy to show that Washington National Airport was becoming overcrowded. It was less easy to show the necessity for building a great new airport.

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Besides National Airport there was also the 10-per-cent-utilized Friendship Airport, and in addition there was Andrews Air Force Base. There were additional smaller airports, such as Bolling Field. Why build another?

Actually there was no traffic necessity which required a great new airport, because Friendship was wide open, was capable of absorbing enormous traffic, and was pleasantly and quickly accessible to Washington by fast special 30-minute trains into Union Station, right here at the foot of Capitol Hill. In addition Friendship Airport also served Greater Baltimore. It was connected with Washington by the Baltimore-Washington Parkway.

There was no traffic necessity for a new airport. But there were two pseudo-necessities, and they prevailed. One pseudo-necessity was bureaucratic. The Federal Aviation Administration administered National Airport and exhibited a strong tenacity to administer any airport that should succeed to National's overflow. The Achilles Heel of Friendship Airport and the Greater Baltimore Committee lay in the fact that the administration of Friendship did not repose in the federal agency. It had been turned over to the City of Baltimore.

Friendship had been opened by President Truman. I knew something about that, because Mr. Truman's dedication speech had been prepared by his chief assistant for speeches, David Demarest Lloyd, who was my closest friend. He told me all about it, in disgust. He had prepared a speech whereby President Truman would hail the opening of that vast new airport which was so aptly named, a speech to lift up the hearts of a great audience in Hope for a bright new age of winged international friendship. Novus Ordo Seclorum.

That speech was not delivered. Mr. Lloyd told me that the federal aviation agency disapproved and got the speech reduced to a simple congratulation to the City of Baltimore. The federal bureaucratic policy was to bottle up Friendship Airport by limiting its market to Greater Baltimore—thus leaving a way open for another FAA airport in the future. Mr. Lloyd, as I say, was disgusted, and he sardonically noted that it rained cats and dogs. The dedication was a real dud.

The other false necessity for a new airport was founded on the drive that a hundred-million-dollar development project just naturally generates.

Up in Cambridge Mr. Cherington's traffic forecast supplied the absolution, so to speak, for plunging into the enormous expense of a new airport. He did that, however, only by "determining" that by 1965 Friendship Airport would become saturated. The Greiner-Mattern Report adopted his finding and on that excuse ruled out Friendship. You had to study the appendix closely to discover that Mr. Cherington found that Friendship would thus become saturated only by allocating 135,000 private planes to Friendship for 1964. Vehement complaint of the Greater Baltimore Committee to General Quesada that such exclusion of Friendship Airport was rigged could only be counter-productive.

(The rejection of Andrews Air Force Base was easier still: the Report simply stated that Andrews was then a military installation and that its traffic data were items of classified information.)

By thus excluding Friendship and Andrews, the Report found that a new airport was indeed necessary. It went on to consider some proposed locations, and it chose the one farthest out in Virginia—pointing out that by thus locating the third great civil airport in that proposed site which was farthest away from the others (National and Friendship, as well as Andrews and Bolling Field) the air traffic congestion and danger of collision would be reduced. However far from Washington or Baltimore the selected site might be, that was a reasonable consideration—if you agreed that a new airport was necessary.

What now? The opportunity to graft Union Station onto the vast long-distance airplane travel is now greater than it was in 1957.

The government now controls Union Station and can work its will.

Use of Union Station as the inner-city airlines terminal, as well as for the reviving Northeast Corridor and suburban passenger traffic by railroad, would restore Union Station to its former glory. These passenger services are no longer white elephants of B&O or Penn Central. Public support is assured. Such expanded transportation use of Union Station should be profitable.

This proposal is ideal for air mail traffic.

The art of passenger trains has improved. This spring I traveled from Paris to London by the coordinated rail-air-rail route. You take a superb little self-propelled French diesel train from the old Gare du Nord to a small airfield on the French coast. There you climb into the airplane and fly right over the Channel to Gatwick Airport south of London about 25 miles out in Surrey. From Gatwick a constant flow of fine trains runs right into Victoria Station.

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Those French and English trains are spacious and fast. The next day I traveled from Paddington Station out over the Great Western Railway to Reading and on to Oxford. Reading is just 36 miles west of Paddington Station, the same distance as the B&O railroad from Washington Union Station to Baltimore. The new Diesel trains make it from Paddington to Reading, 36 miles, in 22 minutes. Gentlemen, that is an average speed of 98.18 miles per hour.

There is no reason why we cannot do as well. Such trains would get us out to Friendship from Union Station in 20 minutes. Why not? My proposed 30-minute schedule was liberal.

Finally, Union Station has become a much more convenient location today than it was in 1957. The opening of the subway from Union Station to Dupont Circle (with its coming extension out Connecticut Avenue) has brought Downtown Washington close to the Station. The "Metro" route out to Silver Spring further increases its centrality. (Union Station was always close to the Capitol.)

Mr. Chairman, I have thought about such matters ever since my first employment as assistant counsel to the United States Senate Committee on Interstate Commerce under the late Senator Burton K. Wheeler. I am now bold to renew my 1957 proposal. I am convinced that it offers the best way to revive Washington Union Station in its true calling. Twenty years ago this sort of proposal seemed chimeric to some. The city editor of The Washington Post, for example, said that he would not support the proposal because Friendship Airport was too far away. But distance is overcome by the fast modern trains of today, which already get from Washington to Baltimore over the 40-mile Pennsylvania route in 32 minutes. He would support it today.

Mr. Chairman, I now revive my proposal, and I ask this Committee to look it over and to see that it receives thorough study.

STATEMENT OF AEROSPACE INDUSTRIES ASSOCIATION OF AMERICA, INC.

The Aerospace Industries Association of America, Inc., representing the nation's major manufacturers of aircraft, spacecraft, missiles and related components, including three of the largest U.S. producers of helicopters, appreciates this opportunity to comment for the record on S. 2995, the Union Station Improvement Act of 1978, in support of the inclusion of a public-use heliport in the Union Station-National Visitor Center facility. Since the early 1950's AIA has supported the construction of a downtown heliport in Washington, D.C. In our view, the Union Station terminal offers an ideal opportunity for constuction of such a facility. In fact, as you may know, a heliport was included in the original authorization for the Center.

Access to downtown Washington by helicopter is an idea whose time has come. Surface transportation in Washington, like that in other cities, is becoming more congested every day. A system of public-use heliports would provide an expeditious means access to the Nation's Capital and would serve as a vital link between the city and nearby suburban areas, Dulles and National Airports, and other city centers within short-haul range (for example, Washington-New York, Washington-Philadelphia).

The helicopter is uniquely suited to fill these specialized transportation gaps. It can overfly ground congestion and utilize the airspace below the heavily traveled jet corridors. Moreover, the helicopter can take off and land safely from comparatively small and simple ground-level and rooftop heliports and requires no expensive right-of-way.

There are currently more than 700 civil helicopters within a 250-mile radius of the District of Columbia, according to statistics from the 1977 AIA Directory of Helicopters Operators in the United States, Canada and Puerto Rico. Moreover, it is predicted that that number will double in the next decade. The AIA Directory lists 5,812 civil helicopters currently in use in the United States, a figure which represents a 15.6 percent increase over 1976. (Copies of the AIA Directory of Helicopter Operators and the Directory of Heliports, listing the more than 3,000 heliports in the U.S. are attached.)

At present there are three Government heliports in the Washington, D.C., area—at the Pentagon, on the South Lawn of the White House and on the roof of the Department of Transportation building. Their use is limited to Government officials. In addition, nine hospitals in the area have designated heliport sites for medical use and the Metropolitan Washington Police Department maintains three precinct rooftop heliports for use in emergencies.

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However, there is still no adequate public-use heliport in downtown Washington. In the congested Northeast Corridor, of which this city is the southern terminus, Washington is the only major city that does not have a public heliport either already in operation or about to be constructed. New York, for example, has four conveniently located public heliports. The many commercial, civil and corporate helicopters coming into the Capital must land at National Airport, thereby nullfying the unique capability of the helicopter to provide city-center to city-center transportation.

Obviously the need and the market for a downtown heliport are present. In recognition of this need, Congress in its original authorization for the National Visitor Center (Public Law 90–264) called for construction of a permanent, public-use heliport to be located on the upper deck of the Center's parking garage. In supporting this plan, we agree with Secretary of Transportation Brock Adams that in order for this city to become part of a coordinated transportation system for the Northeast Corridor and for the nation as a whole, the Union Station terminal should become a multimodal transportation center allowing the public access to all types of transportation: train, bus, Metro, taxi, private car—and, we might add, helicopter.

For many reasons, we feel that the Union Station terminal offers the ideal location for the first Washington public heliport. Situated within walking distance of the Capitol, it would expedite transportation for legislators, Government officials, visiting foreign dignitaries and business leaders, and provide convenient connections with train, Metro, and Dulles and National Airports. By diverting traffic from National Airport, in particular, it would help relieve the tremendous congestion which causes frequent delays for both ground and air traffic. In testimony before the House last March, a spokesman for Mayor Walter E. Washington called the terminal "an ideal location for a public-use heliport."

A heliport at the Union Station terminal would also be a boon to the city, providing new revenue and job opportunities as well as offering a form of transportation uniquely suited to emergency or evacuation situations. Two of New York City's four public heliports, for example, the 60th Street and 34th Street riverfront heliports in Manhattan, which are owned by the city and operated by private corporations, are running in the black with over 50,000 operations in 1977.

As a result of technological innovations achieved by our industry, helicopter transportation has become an increasingly cost-effective and environmentally sound mode of travel. The manufacturing industry has incorporated new materials and design features into rotorcraft which are quieter, have higher levels of safety, exhibit increased speed and range, require less maintenance and are capable of daytime, nighttime and all-weather flight. Today's modern, single and twin turbine-powered helicopters, with new designs utilizing fiberglass and titanium components, are proving environmentally acceptable in terms of lower noise levels and increased fuel efficiency. For the first time, a new generation of helicopters has been designed specifically to meet the needs of civilian transportation, as opposed to modifications of military aircraft for civilian use. This effort in design and development has been largely funded by the manufacturing companies. It is an on-going effort, and we expect it will continue to produce improvements which will make helicopter travel increasingly attractive and efficient.

The Aerospace Industries Association feels that completion of the Union Station facility, including the much-needed public heliport, should be a top priority if Washington is to become a vital link in a complete national transportation system. We appreciate your consideration of our views on this important issue.

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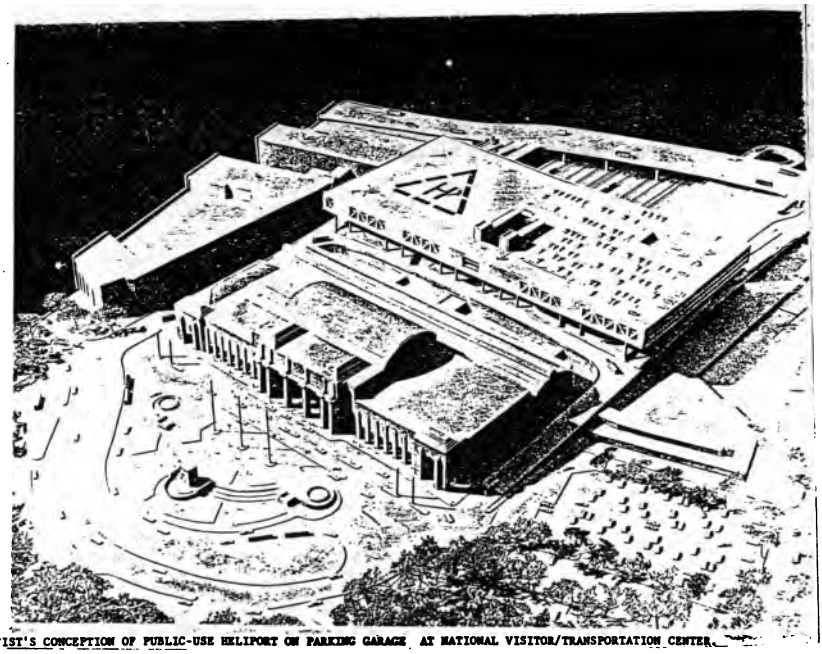

ARTIST'S CONCEPTION OF PUBLIC-USE HELIPORT ON PARKING GARAGE AT NATIONAL VISITOR/TRANSPORTATION CENTER

STATEMENT OF ROBERT A. RICHARDSON, EXECUTIVE DIRECTOR, HELICOPTER ASSOCIATION OF AMERICA

The city of Washington, D.C. is subject to special aviation requirements due to a substantial element of diplomatic, congressional and other security-senseitive groups. The D.C. area has, for years, been considered to be a wasteland for non-military helicopter operators, largely due to the lack of a suitable public-use landing facility in the city. The establishment of a heliport facility in Washington, D.C. would encourage operators into this area, and has the further potential for stimulating the expanison of existing fleets of nearby commercial, corporate/private and public service organizations in order to serve the transport requirements of government, industry and the public.

From the viewpoint of national security, a strategically situated, established heliport facility would provide an important means of travel to and from the city for key government personnel. As a security tool, this facility and the machines it would make available, could participate in evacuation and other readiness exercises designed to prepare members of the Congress, and other personnel important to the national security, for possible emergency evacuation.

There is, at present, only one urban certificated scheduled passenger helicopter airline in service in the United States—New York Airways. This is due, primarily, to financial difficulties such airlines have experienced. The lack of appropriately positioned public-use heliport(s) close to the commercial passenger generating heartbeat of our major metropolitan areas is one of the underlying reasons contributing to their financial demise. Such a service, if introduced into the Washington, D.C., environment, would provide valuable civilian transport to a populace that is often characterized as "transient".

Initial results of a comprehensive survey conducted by the Helicopter Association of America involving 318 helicpoter operators who control some 700 rotorcraft within a 250-mile radius of Washington, D.C., overwhelmingly favors the establishment of a metropolitan public-use heliport. An amazing 71.4 percent of those responding said that they would use the heliport—some on a daily basis. These numbers have been taken from a 48.4 percent response to the 318 questionnaires. A final tabulation will be made available for the record when all responses are in.

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There are just over 2,500 nonmilitary helicopter operators in the United States, a steady increase of a fraction under 25 percent per year during the past decade. In the same period, the number of helicopters has increased 29.4 percent per year! This is an astounding growth rate and everything points to an accelerated expansion for the industry in the future. The metropolitan area that lacks helicopter transport, due to the absence of suitable landing sites, fails to capitalize on the many fringe benefits of the air age.

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